



Committee Report

To:	Warden Hicks and Members of Grey County Council
Committee Date:	July 14, 2022
Subject / Report No:	TR-CW-26-22
Title:	RFT-TS-22-22 Award of Two Tandem Trucks
Prepared by:	Sharon Melville, Buyer and Jim Nicoll, Maintenance Manager
Reviewed by:	Pat Hoy, Director of Transportation Services
Lower Tier(s) Affected:	
Status:	

Recommendation

1. That Report TR-CW-26-22 containing the tender results for RFT-TS-22-22 Tandem Trucks be received; and
2. That Lewis Motor Sales be awarded the Tender for a total amount of \$749,994.68 excluding HST; and
3. That the required funds be transferred from the Transportation Services Equipment Replacement Reserve.

Executive Summary

Report TR-CW-15-22 was endorsed at County Council on May 12, 2022, authorizing Staff to tender for two tandem trucks prior to the 2023 budget approval.

The purpose of this early tender date was to expedite the delivery of the units to ensure that they are available for use for the 2023/2024 winter season. History has shown that delivery takes seven to ten months from the date of purchase but due to recent delays, it will likely be 2023/24 before they are delivered.

The tender for the provision of two tandem plows were posted on Bonfire, (Grey County's electronic bidding platform), from June 9, 2022, to June 29, 2022 (closing date).

Background and Discussion

A route analysis has shown that tandem trucks are the appropriate vehicle in both material space and agility to undertake winter maintenance.

As per section 11.2 of the Purchasing Policy, member municipalities within Grey County will have the opportunity to purchase the two used tandem axle trucks, once the two new tandems have been received (Fall 2023 or early 2024). Appropriate reserve bids are placed on each of the tandem trucks when offered for sale. If no bids are received or the reserved bid is not met, all trucks will proceed to a public auction.

The bids submitted with the results are listed below.

#	Name of Bidder	Bid Amount per Truck/Total – (excluding taxes)
1.	Lewis Motor Sales	\$374,997.34 each or \$749,994.68

Legal and Legislated Requirements

None.

Financial and Resource Implications

Item	Excluding HST	Including Non-Refundable Portion of HST
Two Tandem Trucks	\$749,994.68	\$763,194.59
Two Stainless Steel Oil Pans	\$4,112.00	\$4,184.37
Total Cost	\$754,106.68	\$767,378.96
Estimated Sale of Used Tandems Currently in Fleet (2)	(\$63,000.00)	(\$63,000.00)
Estimated Required Transfer from Reserve	(\$691,106.68)	(\$704,378.96)

In 2021, the total expenditure amount per tandem was \$314,496.23 (including non-refundable portion of HST) compared to \$381,597.30 per tandem in 2022, an increase of \$67,101.07 per vehicle. The increase in the price reflects the inflation in the current economic situation.

Staff are recommending the upgrade to a Lifetime warranty stainless steel oil pan option at a further cost of \$2,092.19 (including non-refundable portion of HST) per tandem truck at a total additional cost of \$4,184.37 (including non-refundable portion of HST).

The total tendered expenditure amount, including the non-refundable portion of HST, is \$767,378.96 for two International brand trucks. This amount will be included in the 2023 Budget; if for some reason the trucks are delivered prior to year-end, funds will be transferred from the Equipment Replacement Reserve. The transfer from reserve will be offset by the sale of two used tandems currently in the fleet that will be held over until the new tandems are delivered.

Equipment purchases are funded by the Sale of Equipment and the Transportation Services Equipment Replacement Reserve Fund. The Transportation Services Equipment Replacement

Reserve Fund is evaluated annually, and increases in price such as shown in this report are taken into consideration when estimating future replacement costs. The Transportation Services Equipment Replacement Reserve Fund has an estimated 2022 yearend balance of \$1,397,173.

Relevant Consultation

- Internal
Finance Department
- External

Appendices and Attachments

[TR-CW-15-22 Capital Equipment Purchase Prior to Budget](#)