



Committee Report

To:	Warden Hicks and Members of Grey County Council
Committee Date:	January 14, 2020
Subject / Report No:	TR-CW-09-21
Title:	RFT-TS-28-20 Award of Two Tandem Trucks
Prepared by:	Sharon Melville, Buyer and Jim Nicholl, Maintenance Manager
Reviewed by:	Kevin Wepler, Director of Corporate Services and Pat Hoy, Director of Transportation Services
Lower Tier(s) Affected:	
Status:	

Recommendation

1. That Report TR-CW-09-21 be received and that RFT-TS-28-20 for two tandem trucks be awarded to Lewis Motor Sales for the bid amount of \$622,009.66, excluding HST.

Executive Summary

Report TR-CW-22-20 was endorsed at County Council on November 12, 2020 authorizing Staff to tender for two tandem trucks prior to the 2021 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 2021/2022 winter season. History has shown that delivery takes seven to ten months from the date of purchase.

The tenders for the provision of two stainless steel box tandem plows were posted on Bonfire, (Grey County's electronic bidding platform), from November 19, 2020 to December 10, 2020 (closing date).

Background and Discussion

The tandem plows are utilized for winter maintenance activities, including plowing and spreading winter materials. During the summer months these trucks are used to haul granular materials for use in culvert replacement projects and maintenance activities, such as placing shoulder gravel, edge patching with hot mix and gradall operations, including ditch cleanout.

With the procurement of two new tandem trucks, staff will replace two of the older tandem trucks that have reached their end of life and are scheduled to be removed from service. The services delivered are key to ensuring we meet our commitment to improve the County's road network; ensure that we invest, renew and manage infrastructure and assets; and, ensure a focus on our commitment to improving Citizen experience by providing consistent service delivery through sustained availability and use of tools and resources.

As per section 11.2 of the Purchasing Policy, an opportunity to purchase two used tandem axle trucks will be released to the member municipalities within Grey County, once the two new tandems have been received (in the fall of 2021). 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 – (excluding taxes)
1.	B&I Complete Truck Centre	\$647,140.00
2.	Lewis Motor Sales	\$618,113.66
3.	Team Truck Centre	\$646,000.00

Legal and Legislated Requirements

None.

Financial and Resource Implications

Item	Excluding HST	Including Non-Refundable Portion of HST
2021 Budget Amount	\$636,104.56	\$647,300.00
Two Tandem Trucks	\$618,113.66	\$628,992.46
Two Stainless Steel Oil Pans	\$3,896.00	\$3,964.57
Total Cost	\$622,009.66	\$632,957.03
<i>Projected Surplus</i>	<i>\$14,094.90</i>	<i>\$14,342.97</i>

In 2020, the total expenditure amount per tandem was \$317,234.58 (including non-refundable portion of HST) compared to \$314,496.23 per tandem in 2021, a slight decrease of \$2,738.35 per tandem. The decrease in the price is relating to some option changes made on the snowplow portion of the tender.

Staff are recommending the upgrade to a Lifetime warranty stainless steel oil pan option at a further cost of \$1,982.28 (including non-refundable portion of HST) per tandem truck. Taking each truck to a total cost of \$316,478.52 (including non-refundable portion of HST).

The total tendered expenditure amount, including the non-refundable portion of HST, is \$632,957.03 for two International brand trucks. The amount contained in the 2021 Budget is \$647,300.00.

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 adjustments are made to accommodate price fluctuations. The Transportation Services Equipment Replacement Reserve Fund has an estimated 2021-year end balance of \$1,554,759.

Relevant Consultation

- Internal
Finance Department
- External

Appendices and Attachments

[TR-CW-22-20 Capital Purchase Prior to Budget Approval](#)