Grey County Logo Committee Report

| To: | Warden Halliday and Members of Grey County Council |
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| Committee Date: | October 25, 2018 |
| Subject / Report No: | TR-CW-48-18 |
| Title: | Capital Purchase Prior to Budget Approval |
| Prepared by: | Graham Wilson, Maintenance Manager Sharon Melville, Buyer |
| Reviewed by: | Pat Hoy, Director of Transportation Services |
| Lower Tier(s) Affected: |  |
| Status: | Adopted by the Committee as presented as per Resolution CW254-18; Endorsed by County Council on November 8, 2018 as per Resolution CC105-18. |

## Recommendation

1. That Report TR-CW-48-18 be received; and
2. That staff be authorized to issue the tender for two tandem trucks and two tandem roll-off trucks prior to 2019 budget approval due to delivery time constraints in accordance with Section 3.3 (c) of the Purchasing Procedure which allows the procurement of up to 50% of gross expenditures in year one of the ten year capital forecast.

## Executive Summary

Transportation Services Staff is requesting permission to tender for two tandem trucks and two tandem roll-off trucks prior to 2019 budget approval.

## Background and Discussion

Section 10.1 Reporting to Council of the Purchasing Procedure states that items requiring pre-budget approval must be reported to Council in order to have the expenditure authorized via resolution. Section 3.0 Authorization of the procedures states that staff is authorized to procure up to fifty percent of gross expenditures contained in the first year of the Ten Year Capital Forecast Plan prior to the annual budget being approved, once Council has authorized these capital expenditures via resolution.

The purpose of this early tender date is to expedite the delivery of the units to ensure that they are available for use for the 2019/2020 winter season. Past history has shown that delivery takes seven to nine months from the date of purchase.

Staff is recommending the replacement of six current fleet units with four tandems. One triaxle, three tandem trucks and two single axle five ton trucks will be auctioned following the arrival of the four new tandems, thereby reducing the fleet by two units.

The two five ton units were to be replaced in 2020, but with the purchase of two roll-off trucks these five ton units will be considered redundant. The tandem roll-off truck provides quick conversion of the attachments to provide a more valuable service to the County year-round.

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

### Stainless Steel vs Aluminum Dump Body

The Transportation Services fleet has primarily utilized carbon steel dump bodies on our plow trucks. Maintenance costs due to corrosion of these steel boxes includes welding holes created by rusting and painting of the boxes at approximately year six of the expected 12 year life cycle.

In an effort to find a cost efficient alternative to the carbon steel boxes, on October 4, 2016 County Council as per Resolution CC123-16 endorsed purchasing stainless steel and aluminum dump bodies.

The four 2019 trucks will be tendered with stainless steel dump bodies. Since purchasing trucks with these boxes in 2017, there have been no concerns with the stainless steel.

In consideration of the aluminum boxes, they do provide a weight advantage, but operators have noted that the unit is light on the drive tires when empty with the plow equipment on the front. This is causing the tires to spin when backing up at intersections, particularly when the material load is low. Further, there have been reports from the manufacturer of issues with cracking around conveyor chain axle shaft mounts and inner liner on some older units, at about seven to ten years of age. The County has not experienced any of these issues to date as our units are two years old.

Based on consultation with Staff and the manufacturer, Transportation Services has decided to proceed with the stainless steel box. Staff will continue to monitor the aluminum boxes for future consideration.

The tandem roll-off trucks do not have aluminum sanders available; only stainless steel or carbon steel sanders are available for purchase.

### Tandem Roll-Off Trucks

Recommended for purchase are two tandem roll-off trucks to improve utilization and to provide increased versatility for our fleet. Five different attachments are available for purchase, including a salt hopper, standard dump body, water tank (watering in summer and anti-icing during the winter), flatbed and dumpster. Staff recommends buying four of these attachments, as the dumpster body is not a necessity at this time.

The various attachments are mounted quickly and efficiently from the ground and the truck can be fully loaded while doing so. The numerous attachments will allow for the elimination of the underutilized five ton units, which currently drive an average of only 5,000 kilometres per year and are used for anti-icing only. The tandem roll-off trucks water tank attachment will provide two and a half times the volume for anti-icing when compared to the five ton units, allowing our trucks to travel much further without the need to refill.

Additional to the attachments discussed above, the trucks can also be fitted with plow equipment for use during the winter months. The flat bed attachment will help to eliminate the need for trailers and comes with an added benefit of not requiring an AZ license; only a DZ license is required, which all of our Operators have.

## Legal and Legislated Requirements

None.

## Financial and Resource Implications

These units have been submitted for replacement in the Machinery portion of the Ten Year Capital Forecast.

The gross expenditures amount contained in the first year (2019) of the current Transportation Services ten year capital forecast plan is $18,409,600. Each of the two tandem trucks are estimated to cost $290,016 and each of the two tandem roll-off trucks are estimated to cost $398,899, for a total of $1,377,830, which is 7.48 percent of the proposed 2019 capital forecast plan.

As Staff recommends replacing the five ton units with a more versatile, roll off tandem truck in 2019, the purchase of two five ton units scheduled for 2020 will not proceed. The projected cost to purchase a five ton unit is $105,830.00 and our ten year capital forecast plan had expected two of these units to be purchased in 2020 at a cost of $211,661.00. Instead, these funds will offset all but $3,053.00 per unit of the additional cost of the tandem roll off trucks in 2019. The additional $6,106.00 will be funded from the Transportation Services Equipment Reserve.

| Capital Cost Comparison |  |
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| Cost of Tandem net HST (scheduled for 2019) | $290,016.00 |
| Cost of Single Axle unit net HST (scheduled for 2020) | $105,830.00 |
| Total Cost of both units, as per approved Ten Year Capital Forecast Plan | $395,846.00 |
| Proposed 2019-2020 Tandem Truck Roll Off Purchase For Consideration |  |
| Cost of Roll Off Tandem net HST | $398,899.00 |
| Difference to be funded from Equipment Reserves for each unit to be purchased in 2019 | $3,053.00 |

## Relevant Consultation

X Internal - Finance Department  
\_ External

### Appendices and Attachments

Viking Cives Roller-Pro Specifications

