



Committee Report

To:	Warden McQueen and Members of Grey County Council
Committee Date:	January 9, 2020
Subject / Report No:	TR-CW-03-20
Title:	RFT-TS-41-19 Award of Two Tandem Trucks
Prepared by:	Sharon Melville, Buyer and Steve Dollmaier, Maintenance Manager
Reviewed by:	Kevin Weppler, Director of Corporate Services and Pat Hoy, Director of Transportation Services
Lower Tier(s) Affected:	
Status:	

Recommendation

- 1. That Report TR-CW-03-20 be received and that RFT-TS-41-19 for two tandem trucks be awarded to Lewis Motor Sales for the bid amount of \$623,495.64 exclusive of HST.**

Executive Summary

Report TR-CW-19-19 was endorsed at County Council on October 10, 2019 authorizing Staff to tender for two tandem trucks prior to the 2020 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 2020/2021 winter season. History has shown that delivery takes seven to nine months from the date of purchase.

The tenders for the provision of two stainless steel box tandem plows were posted on Bonfire from November 22, 2019 to December 12, 2019 (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 this procurement of the two tandem trucks staff will be able to replace two of the older tandem trucks that have reached end of life and are scheduled to be removed from service. The units are used to support road maintenance and snow operations through the winter season on the road network and within Grey County. The services delivered are key to ensuring we meet our commitment during this term of Council 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 improved 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 2020). 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	\$645,400.00
2.	Lewis Motors Sales Inc.	\$623,495.64
3.	Team Truck Centres	Non-compliant

Legal and Legislated Requirements

None.

Financial and Resource Implications

In 2019, the total expenditure amount per tandem was \$267,628.80 (including the unrecoverable portion of HST) compared to \$317,234.58 per tandem in 2020, an increase of \$49,605.78 or 18.54% per tandem. The increase in the total price is attributed to the trucks being imported from the United States.

The total tendered expenditure amount, including the unrecoverable portion of HST is \$634,469.16. The 2020 budget will reflect the actual amount of \$634,469.16 (\$317,234.58 per tandem truck). Equipment purchases are funded by the Sale of Equipment and the Equipment Replacement Reserve Fund. The Equipment Replacement Reserve Fund is evaluated annually and adjustments are made to accommodate price fluctuations.

Relevant Consultation

- Internal
Finance Department
- External

Appendices and Attachments

[TR-CW-19-19 Capital Equipment Purchase Prior to Budget Approval](#)