

Committee Report

To:	Warden Milne and Members of Grey County Council
Committee Date:	April 13, 2023
Subject / Report No:	TR-CW-09-23
Title:	Capital Equipment Purchase Prior to 2024 Budget Approval
Prepared by:	Jim Nicoll, Maintenance Manager Sherri Adams, Buyer
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW62-23; Endorsed by County Council on April 27, 2023, per Resolution CC35-23.

Recommendation

1. That report TR-CW-09-23 regarding capital equipment purchase prior to 2024 budget approval be received; and
2. That staff be authorized to issue the tender for two tandem trucks prior to the 2024 budget approval due to delivery time.

Executive Summary

Transportation Services staff is requesting permission to tender for two tandem trucks prior to 2024 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.

The purpose of the early tender dates is to expedite the delivery of the Tandem Trucks to ensure that they are available for use for the 2024/2025 winter season. Tandems ordered in mid-2022 will be delivered in early 2024 which implies an ongoing delivery time of 18-24 months.

Staff is recommending the replacement of two tandems. The 2012 tandem trucks which are at the end of their scheduled 12-year life cycle will be auctioned following the arrival of the new tandems.

A route analysis has shown that tandem trucks are the appropriate vehicle in both material space and agility to undertake winter maintenance. The two tandem trucks will be tendered with stainless steel dump bodies. Since purchasing tandem trucks with these boxes in 2017, stainless steel continues to be the preferred choice of box material.

There are currently no electric tandem trucks with the range to be snowplow trucks being manufactured, and their availability is unknown. The dealers have advised that the priority production for electric vehicles will be on those that are used the most, passenger cars, light duty trucks and then highway tandem trucks.

Tandem trucks are typically on a 12-year replacement cycle. While it is Council’s direction to move to electric vehicles, we are taking a careful and cautious approach to purchasing diesel fueled as the electric tandems are not yet available.

Legal and Legislated Requirements

None.

Financial and Resource Implications

These units were submitted for replacement in the Machinery portion of the approved 2023-2032 Ten Year Capital Forecast.

The amount contained in the 2023-2032 approved Transportation Services Ten-Year Capital Forecast plan in year 2024 for two tandem trucks was \$686,800, or \$343,400 each. Due to market pressures and more recent pricing, when the 2024-2033 capital plan is formed, the estimate will be increased to \$823,200, or \$411,600 each. The Transportation Services 2023 budget capital gross expenditures totaled \$47,054,900. Using this as a base, the total percentage of gross expenditures to be used before the approval of the 2024 budget would be 1.75%. Global supply chain issues and inflation are the drivers for the increase above our regular estimated increase.

Capital Cost	
Cost per Tandem net HST (scheduled for 2024)	\$411,600
Total Tandem Cost net HST (scheduled for 2024)	\$823,200

Relevant Consultation

Internal
Finance Department

External

Appendices and Attachments

None.