



Meeting Date: October 4, 2023

Submitted by: Rob Cascaden, P.Eng – Director – Public Works and Engineering

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Report No: PWE 40-2023

Subject: Replacement Plow Truck Purchase

Recommendation:

THAT Report PWE 40-2023 re: Replacement Plow Truck Purchase be received;

AND THAT the purchase of a new 2024 or 2025 Mack Granite plow truck be awarded to Vision Truck Group in the amount of \$578,500.22 (including nonrefundable HST);

AND FURTHER THAT a budget overage of \$28,500.22 (including nonrefundable HST) be approved

Purpose:

To seek Council approval for the purchase of a new 2024 or 2025 Mack Granite plow truck from Vision Truck Group to replace plow truck 3224.

Background:

The Municipality of Middlesex Centre, using the Local Authority Services (LAS), sought out qualified equipment dealers to submit pricing on the supply and delivery of a replacement plow truck that would have the appropriate equipment and size for maintenance of municipal roadways. The LAS program is a municipal group buying program where all the offerings have undergone a formal competitive process, ensuring compliance with purchasing by-laws and trade agreements. Utilizing the LAS program allows municipalities to access the preferred pricing discounts established by LAS with various vendors.

LAS was created in 1992 by the Association of Municipalities of Ontario (AMO). LAS is incorporated as a not-for-profit organization under the laws of Canada and is mandated to work with Ontario municipalities, as well as organizations from the broader public sector, to help realize lower costs, higher revenues, and enhanced staff capacity, through co-operative procurement efforts and innovative training, programs, and services.

Analysis:

Staff solicited information from three truck suppliers, Team Trucks, Vision Trucks, and Brandt Truck and Trailer. Of the three suppliers contacted only Vision Trucks was able to provide truck chassis and truck body build dates with firm pricing. The other two suppliers could not supply chassis build dates (allocations) or firm pricing. Staff met with and viewed the Mack granite truck with the respective sales representatives to review municipal requirements and specifications. Upon review, staff invited Vision Trucks to submit a firm price for municipal review as the truck and body specified contained the appropriate specification and requirements to meet the Municipality's needs.

Given the current supply challenges related to heavy duty commercial vehicles and the lack of available build slots staff are recommending purchasing a new Mack granite plow truck from Vision Trucks. This will ensure the timely replacement of fleet assets and lock in the purchase price from any future fluctuations in material, labour costs, or inflationary costs.

Financial Implications:

Public Works and Engineering Department staff have reviewed the bid price for compliance with the respective municipal requirements. The price submitted by Vision Truck in the amount of \$578,500.22 (including nonrefundable HST), exceeds the 2023 approved capital budget of \$550,000.00. The budget overage of \$28,500.22 represents a cost increase of 5.2%. When considering and taking into account the ongoing increases in the rate of inflation and difficulty in acquiring new vehicles and equipment at firm/locked in pricing. This represents a reasonable cost increase from the time of budget preparation and approval. In addition, this provides cost certainty for the Municipality as the cost is firm, locked in, and will not be subject to surcharges, or any cost increases related to labour or material costs.

Strategic Plan:

This matter aligns with following strategic priorities:

- Sustainable Infrastructure and Services

The sustainable and planned replacement of the municipal fleet will allow staff to maintain municipal roadways in a cost-effective manner, minimizing down time and costly equipment repairs.

Attachments:

N/A