



## Report to Council

Department: Infrastructure Services

Division: Operations

Date: May 19, 2020

Prepared by: Jackson Tang, Assistant Manager, Business Services

Report Number: Operations-2020-03

Subject: Results of Request for Tender – Supply of Winter Control Equipment for a Tandem Plow Truck and Supply of a Tandem Plow Truck Cab and Chassis 2020

Number of Pages: 4

### Recommendation(s)

**That** Operations-2020-03 entitled Results of Request for Tender – Supply of Winter Control Equipment for a Tandem Plow Truck and Supply of a Tandem Plow Truck Cab and Chassis 2020 prepared by Jackson Tang, Assistant Manager, Business Services be received, and

**That** Council award the Request for Tenders as follows:

- a. Supply of Winter Control Equipment for a Tandem Plow Truck with Stainless Steel Dump Body to Viking-Cives Ltd. in the amount of \$144,888.94 including non-refundable Harmonized Sales Tax.
- b. Supply of Tandem Plow Truck Cab and Chassis 2020 to Team Truck Centres Ltd. in the amount of \$160,148.80 including non-refundable Harmonized Sales taxes. , and

**That** Council approve the additional funding of \$25,037.74 above the approved 2020 Capital Budget of \$280,000.00 for the Supply of Winter Control Equipment for a Tandem Plow Truck

and Supply of a Tandem Plow Truck Cab and Chassis (project PW-20-0001) from the Town's Asset Management Lifecycle Reserve.

## Purpose

In accordance with the Town Procurement By-Law Number 1043, Council approval is required for purchases in excess of \$100,000.00. This report is to seek Council's approval to appoint qualified suppliers to provide the Town with the Winter Control Equipment for Tandem Plow Truck and the Tandem Plow Truck Cab and Chassis.

## Background and Discussion

The purchase of one tandem plow truck cab and chassis with winter control equipment was approved in the 2020 Capital Budget as project PW-20--0001.

Two separate Tenders (one for the cab and chassis and one for the winter control equipment), following the guidelines as set out in the Town's Procurement By-Law Number 1043 were posted both on the Town's website and Merx, and closed on April 08, 2020 at 3:00:00 pm.

The Tenders were reviewed for arithmetic errors, completeness, legibility, revisions and irregularities. In addition, there were no apparent unbalanced prices in the Schedule of Items and Prices. The results of the submitted tender prices for two different Tenders are noted in the Tables below:

Supply of Winter Control Equipment for a Tandem Plow Truck with Stainless Steel Dump Body

Name of Proponent	Total Amount including non-refundable Harmonized Sales Tax (1.76%)
Viking-Cives Ltd.	\$144,888.94

Viking-Cives Ltd., submitted the compliant bid which satisfied all of the tender specifications and requirements. They have provided the Town of Essex similar equipment with satisfactory services.

#### Supply of a Tandem Plow Truck Cab and Chassis 2020

Name of Tenderer	Total Amount including non-refundable Harmonized Sales Tax (1.76%)
Team Truck Centres Ltd.	\$160,148.80
401 TruckSource Inc.	\$183,676.80
Carrier Centers	\$166,130.33

The low bid from Team Truck Centres Ltd. met all the tender specifications. They have also successfully provided the Town of Essex with various equipment over the years.

The overall total amount from the recommended suppliers is (\$144,888.94 + \$160,148.80) \$305,037.74 including non-refundable Harmonized Sales Tax.

## Financial Impact

The 2020 Capital Budget had an approved amount of \$280,000.00 (Project PW-20-0001) for the purchase of one tandem plow truck cab and chassis with winter control equipment.

The 2020 Capital Budget for PW-20-0001 was estimated by taking the actual cost of a truck containing the same specifications that was purchased in 2018 (\$251,203) and inflated by an approximate 5.5% per year. The inflationary increase was included to account for any potential material, tariff, and exchange rate increases.

A budget is created at a point in time based on best estimates; due to this and the uncertainty surrounding labor and material costs, tariffs and exchange rates, the tender closed \$25,037.74 higher than the project budget.

Therefore, the 2020 approved budgeted amount for PW-20-0001 is not sufficient to cover the overall total cost of \$305,037.74. Additional funds in the amount of \$25,037.74 are required to be transferred from the Town's Asset Management Lifecycle Reserve to cover this shortage.

## **Consultations**

The finance department was consulted on the financial impacts and recommended solutions.

## **Link to Strategic Priorities**

- ☒ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- ☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- ☐ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- ☐ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- ☐ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.

## Report Approval Details

Document Title:	Results of Request for Tender - Supply of Winter Control Equipment and Plow Truck Cab and Chassis 2020 - Operations-2020-03.docx
Attachments:	
Final Approval Date:	May 13, 2020

This report and all of its attachments were approved and signed as outlined below:

**Norm Nussio, Manager Operations and Drainage - May 11, 2020 - 11:11 AM**

A handwritten signature in black ink, appearing to read "Norm Nussio". The signature is written in a cursive style with a large loop at the end.

**Kevin Girard, Director, Infrastructure Services - May 12, 2020 - 3:43 PM**

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**Chris Nepszy, Chief Administrative Officer - May 13, 2020 - 2:55 PM**