



**Subject: Fleet Services Update**

**To: Council**

**From: Public Works Department**

Report Number: 2023-185

Meeting Date: October 10, 2023

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**Recommendation:**

That Public Works Department Report 2023-185 be received; and

That Council approve the transfer of \$49,195 from the General Tangible Capital Asset reserve to the Capital Fund to offset cost escalations on a single and tandem axle dump truck.

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**Purpose:**

The purpose of this report is to obtain Council's approval to fund inflationary cost escalations on a single and tandem axle dump truck.

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**Background:**

The City's Fleet Services division has implemented a proactive approach to managing its fleet of vehicles and equipment, ensuring they remain safe, reliable, cost-effective, and compliant with regulations.

As part of the City's ongoing fleet replacement program, Fleet Services received budget approval to replace several vehicles and equipment for the total estimated cost of \$1,844,500.

To date, City staff have purchased a backhoe, waste haul truck, a total of four pickup trucks, and a street sweeper for the total cost of \$1,204,000. The remaining vehicles that were slated for replacement include facilities cargo van, trailer for the roads department, a mid-size car formerly used by fire department that is currently used by crossing guards, and both a single and tandem axle dump truck.

After reviewing the remaining equipment originally scheduled to be replaced, staff recommend cancelling the purchase of the facilities cargo van and mid-size car due to staffing changes and review of divisional needs. The estimated cost to replace the two vehicles was \$105,000. This savings will help offset the additional funding required for the two dump trucks.

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## **Discussion:**

In June 2023, City went through a purchasing process that requested quotations for the purchase of two dump trucks. The request for quotations closed on July 19, 2023. The City received the following bids:

### **Single Axle dump truck:**

Low bid in the amount of \$408,570 plus applicable taxes.

Estimated approved budget: \$325,000.

Additional funding required for purchase: \$83,570.

### **Tandem Axle dump truck:**

Low bid in the amount of \$455,625 plus an additional \$4388 for online shop manual subscriptions plus an additional \$13,066 if ordered with 304 stainless steel body option.

Estimated approved budget: \$385,000.

Additional funding required for purchase: \$70,625.

Over the past several years, purchasing large dump trucks has been challenging within the industry due to a combination of pandemic related supply chain issues and material shortages, resulting in higher costs and delays in delivery due to backlogs.

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## **Internal Consultations:**

The Fleet Division has collaborated closely with both Operations and Procurement staff to ensure that vehicle specifications meet the needs of the City.

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## **Financial Implications:**

Funding of \$49,195 (Single Axle \$83,570 + Tandem Axle \$70,625 – Savings \$105,000) is recommended to come from the General Tangible Capital Asset reserve. As noted during the 2024 Capital and Related Project budget process, the General Tangible Capital Asset reserve has approximately \$1,600,000 at this time. The 2023 Trimester 2

and Year End forecast currently forecasts a surplus of approximately \$120,000. In the event that a 2024 operating budget surplus is recognized, Staff will be recommending to Council that the funds be directed to the General Tangible Capital Asset Reserve.

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### **Strategic Plan Alignment:**

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Environment and Climate Change
  - Welcoming, Livable, Healthy Community
  - Economic Prosperity
  - Increased Housing Options
  - Sustainable and Resilient Infrastructure
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### **Conclusion:**

Upon review of the City's fleet replacement program, City staff recommend proceeding with the purchase of the two dump trucks for the total cost of \$868,583 and that the additional funding required in the amount of \$154,195 be funded by General Capital Asset Reserve.

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Respectfully submitted,

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### **Report Approval:**

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.