



## The Corporation of the Town of Tecumseh

### Public Works & Environmental Services

**To:** Mayor and Members of Council

**From:** Phil Bartnik, Director Public Works & Environmental Services

**Date to Council:** February 9, 2021

**Report Number:** PWES-2021-07

**Subject:** 2021 Supply of Various Vehicles

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### Recommendations

It is recommended:

**That** Administration **be authorized** to obtain quotes for the 2021 Supply of Various Vehicles as **follows:**

1. Public Works Vehicle	Estimated Price
PW 11-12 1500 Pickup Truck	\$35,000
PW 04-10 Single Axle Plow Truck	\$295,000
2. Water Vehicle	Estimated Price
W 04-12 2500 Service Truck	\$90,000
W 07-12 1500 Pickup Truck	\$37,000
W 09-10 Backhoe	\$150,000
3. Parks Vehicles	Estimated Price
P 13-14 Kubota L5460 Tractor	\$35,000
P 26-11 Tilt Trailer	\$6,000
P 42-16 Kubota Utility Vehicle 4x4	\$15,000

P 43-16 Kubota Utility Vehicle 4x4 \$15,000

P 46-16 Kubota Utility Vehicle 4x4 \$15,000

**4. Maintenance Vehicle Estimated Price**

M 01-12 1500 Pickup Truck \$30,000

**5. Fire Apparatus Estimated Price**

F5-21 High Water Rescue Vehicle \$210,000

**And that** the following equipment **be declared** surplus and disposed of through Part VI, Disposal of Surplus or Scrap Materials and equipment of the Town's Purchasing By-law:

**Public Works Vehicle Unit Number Year Purchased**

PW 11-12 1500 Pickup Truck PW 11-12 2011

PW 04-10 Single Axle Plow PW 04-10 2009

**Water Vehicle Unit Number Year Purchased**

W 04-12 2500 Service Truck W 04-12 2012

W 07-12 1500 Pickup Truck W 07-12 2011

W 09-10 Backhoe (TBD) W09-10 2009

**Parks Vehicle Unit Number Year Purchased**

P13-14 Kubota L5460 P 13-14 2014

P26-11 Tilt Trailer P26-11 2011

P42-16 Kubota Utility Vehicle P42-16 2016

P43-16 Kubota Utility Vehicle P43-16 2016

P46-16 Kubota Utility Vehicle P46-16 2016

**Maintenance Vehicle Unit Number Year Purchased**

M01-12 Pickup Truck M01-12 2011

**And further that** Appendix A titled "Town of Tecumseh 2021-2030 Ten Year Fleet Funding and Replacement Schedules" and Appendix B titled "Town of Tecumseh 2021-2030 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules" attached

to Public Works & Environmental Services Report PWES-2021-07 **be adopted** as amended;

**And furthermore that** funding for the purchase of the 2021 Supply of Various Vehicles outlined in Appendix A in the amount of \$ 723,000 plus associated costs for outfitting, \$15,000, for a total of \$738,000 **be funded** from the Fleet Vehicle Reserve.

**And furthermore that** funding for the purchase of the 2021 Supply of Various Vehicles outlined in Appendix B in the amount of \$210,000 plus associated costs for outfitting, \$5,000, for a total of \$215,000 be funded from the Lifecycle Fire Apparatus Reserve, subject to confirmation of approval of the Town's Investing in Canada's Infrastructure Program (ICIP) application as per Report CAO-2021-03.

## Executive Summary

The Town has implemented a Fleet Replacement Schedule (Schedule) to efficiently manage the Town's fleet in a cost effective manner. This Schedule is used as a guide for purchasing new vehicles and equipment in the designated years. Prior to replacing the vehicles, inspections are conducted to confirm the timing of the replacement and a re-evaluation of the type of vehicle for replacement is considered to ensure the new replacement vehicle best serves the needs of the particular department.

In accordance with the Schedule, and in consultation with Administration, twelve vehicles and/or pieces of equipment are recommended for purchase in 2021, including the following;

1. One pick-up truck and one plow truck for Public Works;
2. One service truck, one pick-up truck and one backhoe for the Water Division;
3. One tilt trailer, one tractor and three utility vehicles for the Parks Division;
4. One pick-up truck for the Maintenance Division; and
5. One HW Rescue Vehicle for Fire and Rescue Services

Following Council's approval to purchase the recommended vehicles and equipment, in the amount of \$953,000, requests for formal quotes for Supply of Various Vehicles (RFQs) will be prepared and advertised in accordance with the Town's Purchasing Policy.

Subsequent to the purchase and receipt of the new vehicles and equipment, the replaced vehicles and equipment will be declared surplus and sold at auction, in accordance with the Town's Purchasing Policy.

## Background

Council, at their meeting held on February 11, 2020, adopted the as amended 2020-2029 Ten Year Fleet Replacement Schedule ("Fleet Replacement Schedule"), which was attached to Report PWES-2020-09 (Motion RCM-45/20). An annual report to Council outlining the recommended vehicles and equipment identified for replacement.

## **Comments**

According to the Fleet Replacement Schedule and in consultation with Public Works, Water, Parks, Maintenance and Fire & Rescue, the following information on existing vehicles is provided for Council's consideration for 2021 fleet replacements/additions:

### **Public Works**

#### **1. PW 11-12 1500 Pick-up truck - \$35,000**

This vehicle has over 100,675 kilometers on it. It has been used for all Public Works functions (i.e. road patrol to service calls), but specifically as the on-call leader's vehicle. It is driven extensively for service requests and all daily duties and has reached the end of its useful life. Administration recommends replacement of this vehicle in accordance with the replacement schedule of 8-10 years due to the conditions of use and the current practice of replacement prior to incurring considerable expenses for repair.

#### **2. PW 04-10 Single Axle Plow Truck - \$295,000**

This vehicle has over 36,000 kilometers. It has been used for all Public Works winter control operations and has reached its useful life expectancy. These trucks are used in harsh conditions under heavy loads, which takes a toll on the lifespan of the vehicle, regardless of the mileage used. Constant low speed operations wear on the drivetrain of these large vehicles. Administration recommends continuing with the replacement schedule due to the conditions of use and the current practice of replacement prior to incurring considerable expenses for repairs.

### **Water**

#### **1. W 04-12 2500 Service Truck - \$90,000**

Administration, in consultation with the Water Services Division, reviewed the fleet complement in 2019 and recommended that this vehicle be replaced in 2020. There are 143,030 kilometers on this vehicle, which is the primary meter service truck. In recent years, this truck has had recurring ignition problems that have been costly to repair. This vehicle was the first year the Town utilized a reduced size aluminum service body and it's starting to lose its paint in some areas. Administration recommends replacement in accordance with the replacement schedule of 8-10 years due to the conditions of use and the current practice of replacement prior to incurring considerable expenses for repair.

#### **2. W 07-12 1500 Pick-up Truck – \$37,000**

This vehicle has over 98,278 kilometers on it and has been used for all everyday Water Service Division functions (i.e. meter reads, broken mains, service calls) and specifically as a meter reading vehicle. It is driven extensively for reading meters and all daily duties and has reached the end of its useful life. Administration recommends replacement in accordance with the replacement schedule of 8-10 years due to the conditions of use and the current practice of replacement prior to incurring considerable expenses for repair.

### **3. W 09-10 Backhoe - \$150,000**

There are 3,916 hours of service on this piece of equipment, which is used by the Water Services Division for repairing watermain breaks. This backhoe is called upon at all times of the year and must be functional and ready to go. It has been maintained over its life; however, the life of such equipment is measured in hours-of-use as opposed to age. At this point, we must consider that this unit will still get a good return or trade at auction which will help to offset the cost of a new backhoe. Consideration will also be given to repurpose it to Public Works to replace another machine that is experiencing significant repairs at this time. This unit functions cross departmentally in Public Works during the winter control season to provide cul-de-sac clearing. This unit will be inspected and reviewed in conjunction with the other two backhoes in the Town Fleet, PWES-02-13 and PWES 03-14 in order to make the most cost effective decision for the Town with respect to repurposing or disposing of this unit. Repurposing this unit to replace another unit that has incurred significant repair costs will be seriously considered in order to achieve the most effective overall use of Town funds in operation and maintenance.

## **Parks**

### **1. P 13-14 Kubota L5460 Tractor - \$35,000**

The Parks Department has a fleet of three tractors used almost on a daily basis. The largest of the tractors is the Kubota 5460, used for turf improvement applications such as aerating, rolling and fertilizing as well as moving soil, sand and baseball clay as needed. This machine has been dependable to date, but did require an expensive front-end repair in 2020 indicating that further major repairs can be expected. The tractor has logged 1,276 hours to date, beyond the ideal limit of 1,000 to ensure a fair trade-in value. Replacing it now will ensure a reasonable trade-in value, while providing a new machine that will be covered under a three-year warranty.

### **2. P 26-11 Tilt Trailer - \$ 6,000**

The Parks Department has a total of seven trailers, including the Tilt Trailer that was purchased in 2012. This 8-year old trailer is now showing signs of rust and weakening of the metal frame, as well as worn tires. Replacing it now will ensure that it is in safe working condition, especially in light of increased road-side inspections by the Ministry of Transportation which has been targeting work trailers in their inspections.

### **3. P 42-16, P 43-16, P 46-16 Kubota Utility Vehicle, 4X4 - \$15,000/ea.**

There are three RTV Utility Vehicles in the Parks fleet and these machines have proven to be extremely useful in the day-to-day operations of the department. They have come to be just as useful as our pickup trucks and in some cases, more preferable due to their smaller size. The hours on the three units are 1,717, 1,545 and 1,629, which is over a preferred total of 1,000 hours each for maximum trade in value. It is staff's opinion that they should still attract a fair trade-in value. They are ideal for use within the parks since pedestrians find them less obtrusive when they are used along the trails. This is especially true in Lakewood, since there is almost constant pedestrian traffic along the trail system. One of the units is also dedicated to floating the infield clay on the baseball diamonds. While another one of the units is closed and equipped with a snow plow and salter that is very useful for winter control along walking trails.

It is proposed to replace one of the existing open units with a closed unit to assist in future winter control of sidewalks and trails.

## **Maintenance**

### **1. M 01-12 1500 Pick-up Truck - \$30,000**

This vehicle has over 122,262 kilometers on it and has been used for all Town maintenance functions (i.e. service calls to facilities, streetlight inspections and traffic light callouts) but specifically, as the on-call maintenance vehicle for the Facilities Maintenance Division. It is driven extensively for service requests and all daily duties and has reached its useful life span. Administration recommends replacement in accordance with the replacement schedule of 8-10 years due to the conditions of use and the current practice of replacement prior to incurring considerable expenses for repair.

## **Fire & Rescue**

### **1. F5-21 High Water Rescue Vehicle - \$210,000**

This vehicle is an addition to the Fire Apparatus fleet and improves emergency response during flooding events. At its meeting held January 12, 2021, Council approved a transfer of \$210,000 from the Lifecycle Buildings Reserve to the Lifecycle Fire Apparatus Reserve for the purchase of this vehicle, subject to confirmation of approval of the Town's Investing in Canada's Infrastructure Program (ICIP) application.

## **Annual Fleet Replacement Costs**

Appendix 'A' (attached) provides an updated summary of the annual fleet replacement costs scheduled for each department. The updated schedules reflect adjustments to the future costs based on current equipment values. Administration recommends that Council adopt the updated Appendix 'A' titled "Town of Tecumseh 2021-2030 Ten Year Fleet Funding and Replacement Schedules" attached to the Public Works & Environmental Services Report No. PWES-2021-07.

Appendix 'B' (attached) provides an updated summary of the annual fire apparatus replacement costs scheduled for the Fire and Rescue Services department. The updated schedules reflect adjustments to the future costs based on current equipment values. Administration recommends that Council adopt the updated Appendix B titled "Town of Tecumseh 2021-2030 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules" attached to Public Works & Environmental Services Report No. PWES-2021-07. Following Council's Approval of Report PWES-2021-07, Administration will prepare a "Request for Formal Quotes for Supply of Various Vehicles" (RFQ) with reference to the above noted vehicles to be replaced in accordance with the Town's Purchasing Policy. The RFQ's will be advertised on the Town's website. Each Manager will also prepare a list of suppliers and invitations to download the RFQ to each supplier.

## Green Fleet Considerations

Administration is continuing to investigate the Electric Vehicle Chargers Ontario (EVCO) grant program to create a network of public electric fast charging stations. The EVCO program is designed to cover the purchase and installation cost of public fast-charging stations along major transportation corridors and in urban centres across the province. With advancements in electric vehicle production, the Town is investigating opportunities to incorporate these new initiatives into the Town Fleet component.

## Surplus

Following Council's approval of the recommendations within this report, and upon receipt of the new equipment, Administration proposes that the replaced vehicles be declared Surplus or Scrap Materials and Equipment and sold at auction.

### 1. Public Works:

Vehicle	Unit Number	Year Purchased
PW 11-12 1500 Pickup Truck	PW 11-12	2011
PW 04-10 Single Axle Plow	PW 04-10	2009

### 2. Water:

Vehicle	Unit Number	Year Purchased
W 04-12 2500 Service Truck	W 04-12	2012
W 07-12 1500 Pickup Truck	W 07-12	2011
W 09-10 Backhoe (TBD)	W 09-10	2009

3. Parks:

Vehicle	Unit Number	Year Purchased
P 13-14 Kubota L5460	P 13-14	2014
P 26-11 Tilt Trailer	P 26-11	2011
P 42-16 Kubota Utility Vehicle 4x4	P 42-16	2016
P 43-16 Kubota Utility Vehicle 4x4	P 43-16	2016
P 46-16 Kubota Utility Vehicle 4x4	P 46-16	2016

4. Maintenance:

Vehicle	Unit Number	Year Purchased
M 01-12 5100 Pickup Truck	M 01-12	2011

The equipment can be disposed of through Part VI, Disposal of Surplus or Scrap Materials and Equipment, of the Town's Purchasing By-law that states:

- a) All departments shall notify the Treasurer when items become obsolete or surplus to their requirements to ascertain if the items can be of use by another department rather than disposed of.
- b) Items that are not claimed for use by another department may be offered for sealed bids, public auction or other public sale, depending in the opinion of the Treasurer on which method is most suitable for the equipment or material involved.
- c) A major auction shall be held annually or as required dependent upon individual circumstances such as delivery of replacement items and storage capacity.
- d) The revenue from the sale of obsolete material shall be credited to the appropriate account.

Surplus vehicles/equipment continue to be made available to Town Employees through public auctions per Part VI of the Town's Purchasing By-law. Town staff will be notified of the date and location of the impending auction.

According to the Ten Year Fleet Replacement Schedules as referenced in Motion RCM 214/09, "As Fleet vehicles and Fire Apparatus are sold, net proceeds to be allocated to the



Fleet Lifecycle Reserve and Fire Apparatus Lifecycle Reserve respectively”. The intent will be to follow the recommendation and place the net proceeds into the appropriate reserve.

## **Consultations**

Financial Services  
Fire & Emergency Services  
Parks & Recreation Services

## **Financial Implications**

The replacement values used in Appendix ‘A’ are based on the original estimates provided by Covenco Ltd. in its report dated March 2007 adjusted forward for known changes based on recent purchases and quotes.

The replacement values used in Appendix ‘B’, Fire and Rescue apparatus are based on the original estimates provided by Covenco Ltd., in its report dated March 2007, adjusted forward for known changes based on recent quotations.

In addition to the purchase cost of the vehicles there is an associated cost to “outfit” them for their intended use. The cost associated with outfitting each of the vehicles is approximately \$3,000 for a total cost of \$15,000.

The estimated cost net of recoverable taxes is \$723,000 plus \$15,000 for a total of \$738,000.

During the 2021 budget process, the annual allocation for Lifecycle Fleet was increased by \$16,000 to accommodate the adjusted costs for the Town Fleet replacements realized through the 2020 tendering process. This increased the annual allocation from the general tax levy from \$424,000 to \$440,000.

During the development of this report, replacement costs of larger vehicles, such as the Single Axle Plow Truck identified in the Recommendations section of this report, were found to have increased significantly. As such, replacement costs in the accompanying schedules have been increased from \$230,000 at time of purchase to \$295,000. Similarly, replacement costs of Tandem Axle Plow Trucks have been increased from \$290,000 to \$350,000.

These increases incorporated in the accompanying schedules now project a reserve deficit by 2028. Inflationary increases to the annual Lifecycle Fleet Allocation should be considered during the 2022 budget process. As well, an update to the Town’s Fleet Review Study (Covenco 2007) is being contemplated for 2021 or the first quarter of 2022.

Under the current Schedule ‘A’, fleet replacement will be fully funded up to year seven of this ten-year period. Considering the significant inflationary increases reflected in replacement costs of this report, further analysis should be undertaken to determine timing and amount of increases to the Lifecycle Fleet Allocation to address the projected deficit.

Under the current Schedule ‘B’, Fire and Rescue apparatus replacement will be in a significant deficit position at year eight of the ten-year period. These vehicles have longer replacement schedules and are impacted by currency exchange fluctuations, which combined can

potentially create a significant gap in actual replacement costs when the time comes to replace the vehicle. As such, Administration recommends that replacement costs for all units be updated every five years to ensure the annual budget allocation is sufficient. The last such update was performed in 2016 and those replacement costs are reflected in Schedule 'B'. Additionally, an increase to the annual Lifecycle Fire Apparatus Reserve allocation should be considered during the 2022 budget process.

## Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

## Communications

Not applicable ☒

Website ☐

Social Media ☐

News Release ☐

Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Kirby McArdle, P.Eng.  
Manager Roads & Fleet

Reviewed by:

Paul Anthony, RRFA  
Director Parks & Recreation Services

Reviewed by:

Wade Bondy  
Director Fire Services & Fire Chief, C.E.M.C.

Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.  
Director Public Works & Environmental Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
1	Appendix A Town of Tecumseh 2021-2030 Ten Year Funding and Replacement Schedules
2	Appendix B Town of Tecumseh 2021-2030 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules