



The Corporation of the Town of Tecumseh

Public Works & Engineering Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Engineering Services

Date to Council: December 13, 2022

Report Number: PWES-2022-46

Subject: 2022 Water Services Vehicle – Tender Award

Recommendations

It is recommended:

That the purchase of the 2022 Water Services Vehicle and service body, in the amount of \$109,399, **be awarded** to Oxford Dodge;

And further that the annual funding allocation, reflecting a total budget requirement of \$114,377 with a \$24,377 increase to the original allocation **be accommodated** as:

- Fleet Lifecycle Reserve – Increase from \$90,000 to \$114,377

Background

At the March 8, 2022 Regular Meeting of Council, Council authorized Administration to obtain quotations for the 2022 Supply of Various Vehicles within Report [PWES-2022-07](#) (Motion: RCM-83/22), which included a water service vehicle outfitted for all aspects of the job. This vehicle can be described as a pick-up truck chassis with a specialized service body (for materials and tools) in place of the regular truck bed.

Comments

On October 27, 2022, the Request for Quotation (RFQ) for the Water Services Vehicle was advertised on the Town's website as well as posted to the Town's Bids and Tenders account. In addition, an email was sent to local dealerships advising them of the Town's RFQ posted on the Bids and Tenders platform.

On November 17, 2022, the Purchasing Officer received two (2) submissions in response to the RFQ that were opened electronically via the Bids and Tenders platform. The table below summarizes the bids received:

Company	Quote (excluding HST)
Oxford Dodge	\$109,399
East Court Ford	\$118,840

The Manager Public Works & Transportation and the Purchasing Officer reviewed the bids submitted. The bids were found to be acceptable in principle and were checked for completeness and the degree to which each submission met the specifications.

In accordance with the Town's Purchasing Policy Section 4, Town Council is required to approve expenditures where the dollar value of the contract is more than \$10,000 or 10% over approved allocation. The submitted quotations are a minimum of \$19,399 or 21% over the approved allocations.

Administration inquired as to why the costs were significantly higher than allocated and a few issues were identified as impacting the cost of vehicles. There are still supply chain issues related to the COVID-19 pandemic and the availability of microchips used in the vehicle industry. The rising cost of raw materials has affected the marketplace; vehicle costs are just priced higher now than two years ago in general. This vehicle also has a specialty service body manufactured for it which is greatly affected by raw material cost inflation. Lastly, there are no more government discounts available for municipal fleets. In the past, these discounts were applied to all municipal purchased vehicles and in some instances were quite significant. The dealerships have informed Administration that they are no longer available.

The RFQ submitted by Oxford Dodge was the lowest submitted quotation for the Water Services vehicle and is recommended for award of this RFQ.

Consultations

Financial Services

Financial Implications

Item	Cost
Item 1 – Water Service Vehicle	\$ 70,090
Item 2 – Service Body	\$39,309
Outfitting	\$3,000
HST non-rebateable (1.76%)	\$1,978
Total	\$114,377
Approved allocation in 2022 (including outfitting)	\$90,000
Allocation deficit	\$24,377

Purchase of the water service vehicle will be funded from the Town's Fleet Lifecycle Reserve. The submitted costs are above the estimated and approved allocation.

Administration recommends the allocation deficit be funded through the Fleet Lifecycle Reserve and going forward will adjust estimated values for vehicle replacements to reflect the current market conditions.

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 Public Works & Transportation

Reviewed by:

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

Reviewed by:

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

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None