



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-2022-45

Subject: 2022 Supply of Various Vehicles Tender Award

Recommendations

It is recommended:

That the purchase of three (3) Extended Cab Pickup Trucks, in the amount of \$128,468 plus HST plus outfitting costs, **be awarded** to Provincial Chrysler;

And that the purchase of one (1) Crew Cab Pickup Truck, in the amount of \$57,883 plus HST plus outfitting costs, **be awarded** to Amherstburg Chevrolet;

And further that the annual funding allocation, reflecting a total budget requirement of \$201,843 with a \$50,843 increase to the original allocation **be accommodated** as:

- Fleet Lifecycle Reserve – Increase from \$151,000 to \$201,843

Background

2021 Various Vehicles

At the February 9, 2021 Regular Meeting of Council, Council authorized Administration to obtain quotations for the 2021 Supply of Various Vehicles within Report [PWES-2021-07](#) (Motion: RCM-42/21). The vehicles authorized in 2021 were:

1. Community and Recreation Services (Maintenance): Extended Cap Pickup Truck, \$30,000
2. Public Works and Engineering Services: Extended Cab Pickup Truck, \$35,000
3. Water Services: Extended Cab Pickup Truck, \$37,000

Council had approved an allocation of \$102,000 for the 3 Extended Cab Pickup Trucks and \$9,000 for the outfitting, for a total of \$111,000.

These vehicles were tendered and awarded in March 2021. Prior to the vehicles being delivered to the Town in January 2022, the vendor requested additional funds (an extra \$10,000 per vehicle) to finalize the purchase due to supply chain issues and manufacturer issues with pricing extended at the time of tender. Administration reviewed the request and after internal discussions rejected the three vehicles and decided to retender these vehicles as part of the 2022 vehicles.

2022 Various Vehicles

At the March 8, 2022 Regular Meeting of Council, Council authorized Administration to obtain quotations for the 2021 Supply of Various Vehicles within Report [PWES-2022-07](#) (Motion: RCM-83/22).

Vehicles authorized in 2022 were:

1. Community and Recreation Services: Crew Cab Pickup Truck, \$37,000

Council had approved an allocation of \$37,000 for the Crew Cab Pickup Truck and \$3,000 for the outfitting, for a total of \$40,000.

Comments

A Request for Tender (RFT) for various vehicles was advertised on the Town's website as well as posted to the Town's Bids and Tenders account on October 18, 2022.

On November 10, 2022, the Purchasing Officer received five (5) submissions in response to the RFT that were opened electronically via the Bids and Tenders platform.

The table below summarizes the bids received (excluding HST).

Company	Item 1 (3) Extended Cab Pickup Trucks	Item 2 Crew Cab Pickup Truck
Provincial Chrysler	\$128,469	\$61,651
Oxford Dodge	\$152,700	\$64,523
Amherstburg Chevrolet	\$151,989	\$57,883
Windsor Chrysler	\$166,963	\$67,125
East Court Ford	\$179,556	\$67,948

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.

The submissions were scored in accordance with the Evaluation and Award Process detailed within the RFT document.

In accordance with the Town's Purchasing Policy Section 4, Town Council is required to approve "irregular results" where the dollar value of the contract is more than \$10,000 or 10% over approved allocation. The submitted quotations are \$50,843 or 34% 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 for microchips used in the vehicle industry. The cost of raw materials and inflation has affected the marketplace and vehicle costs are just priced higher now than two years ago. 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 RFT submitted by Provincial Chrysler was the low bid for Item #1 (Three (3) Extended Cab Pickup Trucks) and Amherstburg Chevrolet was the low bid for Item #2 (Crew Cab Pickup Truck).

Consultations

Financial Services

Financial Implications

Item	Cost
Item 1 – 3 Extended Cab Pickup Trucks	\$ 128,469
Item 2 – Crew Cab Pickup Truck	\$57,883
Outfitting	\$12,000
HST non-rebateable (1.76%)	\$3,491
Total	\$201,843
Approved allocation in 2021 (including outfitting)	\$111,000
Approved allocation in 2022 (including outfitting)	\$40,000
Allocation deficit	\$50,843

Purchase of the vehicles 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 to 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.
Manager Public Works & Transportation

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