



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: April 11, 2023

Report Number: PWES-2023-32

Subject: 2023 Supply of Various Vehicles

Recommendations

It is recommended:

That Administration **be authorized** to obtain quotations for the 2023 Supply of Various Vehicles as summarized in Attachment 1 to Report PWES-2023-32;

And that the equipment summarized in Attachment 2 to Report PWES-2023-32 **be declared** surplus and disposed of through Part VI, Disposal of Surplus or Scrap Materials and Equipment of the Town's Purchasing Policy;

And further that Appendix A titled "Town of Tecumseh 2023-2032 Ten Year Fleet Funding and Replacement Schedules" and Appendix B titled "Town of Tecumseh 2023-2032 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules" attached to Report PWES-2023-32, **be adopted** as amended;

And furthermore that funding for the purchase of the 2023 Supply of Various Vehicles outlined in Appendix A in the amount of \$939,500 plus associated costs for outfitting, \$18,000, for a total of 957,500 **be funded** from the Lifecycle Fleet Reserve.

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 each department.

In accordance with the Schedule, and in consultation with Administration, nineteen (19) vehicles and/or pieces of equipment are recommended for purchase in 2023, including the following:

1. One dump body, one extended cab truck, a water service truck, five pieces of equipment as well as the rehabilitation of Viking Inserts for Public Works and Transportation Services.
2. One skid steer, one tractor, one trailer and four mowers for Community & Recreation Services.
3. Allocation of funds for transit bus replacement to be addressed in a forthcoming report to Council.

Following Council's approval to purchase the recommended vehicles and equipment, in the amount of \$957,500, 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.

Fifteen years ago, the Town conducted a fleet review with the assistance of an external consultant. While this review is updated annually, Administration is looking to implement a fleet strategy when the Transportation Supervisor position is onboarded in 2024 that is forward-looking and considers innovations in the auto industry with a focus on electric vehicles. Research and industry consultations are being conducted to review the ever-changing landscape of electric vehicles. As options begin to align with the Town's replacement needs electric vehicles will be considered as viable replacement options.

Background

Council, at their meeting held on March 08, 2022, adopted the amended 2022-2031 Ten Year Fleet Replacement Schedule ("Fleet Replacement Schedule"), attached to [Report PWES-2022-07](#) (Motion RCM-83/22) which is 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 the 2023 fleet replacements and additions:

Public Works and Engineering Services

1. PW 03-12 Viking Tandem Insert – Rehab - \$40,000

Public Works has reviewed the truck on which this insert is installed and Administration feels that the truck can be utilized for at least a few more years. The salter insert will be shipped to the manufacturer where rehabilitation will be completed which includes the replacement of the wearable parts of the equipment. This service option is only available for insert style salters. For less than half the cost of a new insert, Public Works will have a rehabilitated insert that will extend the useful life of this 2012 tandem truck and postpone full replacement, estimated at \$320,000.

2. PW 05-12 Viking Single Insert – Rehab - \$40,000

Public Works has reviewed the truck on which this insert is installed and Administration feels that the truck can be utilized for at least a few more years. The salter insert will be shipped to the manufacturer where rehabilitation will be completed which includes the replacement of the wearable parts of the equipment. This service option is only available for insert style salters. For less than half the cost of a new insert, Public Works will have a rehabilitated insert that will extend the useful life of this 2012 single axle truck and postpone full replacement, estimated at \$295,000.

3. PW 08-12 3500 Truck & Dump Body - \$75,000

This 2012 vehicle has over 50,000 kilometers on it. It has been used for all Public Works functions (i.e., road patrol to service calls) but specifically as a mid sized dump truck. It is used for all cold patching operations and towing of equipment and has reached its useful life. Administration recommends continuing with the replacement schedule of eight years due to the conditions of use and the current practice of replacement prior to incurring considerable expenses for repairs.

4. PW 09-12 – 1500 Truck Ext. Cab - \$ 45,000

This 2012 vehicle has over 107,820 kilometers on it. It has been used for all Public Works functions (i.e., road patrol to service calls), but specifically as the public works pool 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.

5. John Deere Attachment – Breaker - \$20,000

Currently, two of the three backhoes the Town uses are John Deere backhoes. This breaker, which is used to fracture concrete or asphalt, will be shared amongst all departments and fit all fleet backhoes.

6. John Deere Attachment – Thumb - \$10,000

This attachment is a new addition to the fleet. Currently, two of the three backhoes the Town uses are John Deere backhoes. This thumb will assist with removal of debris from ditches and municipal drains. When the backhoe is replaced, this attachment can be removed and reused on the replacement.

7. John Deere Attachment – Ditching Bucket - \$ 5,000

This attachment is a new addition to the fleet. Currently, two of the three backhoes the Town uses are John Deere backhoes. This ditching bucket will assist with maintenance of ditches and assist with water main repairs. When the backhoe is replaced, this attachment can be removed and reused on the replacement.

8. Trackless – Salter - \$8,500

This attachment is the original attachment that was purchased by the Town in early 2000's with the original Trackless machine. The Trackless machine has since been replaced and Public Works has rebuilt and maintained this attachment until now. The unit has reached its useful lifespan and should be replaced.

9. Trackless Attachment – Blower - \$13,000

This attachment is the original attachment that was purchased by the Town in early 2000's with the original Trackless machine. The Trackless machine has since been replaced and Public Works has rebuilt and maintained this attachment until now. The unit has reached its useful lifespan and should be replaced.

10.W 3-14 Water Service Truck - \$115,000

This 2014 truck is one of two primary service trucks in the Water Division, with 121,403 kilometers logged. In recent years, this vehicle has had recurring engine problems (i.e., injector replacements and electrical issues) and exhaust issues due to emission requirements with diesel vehicles, all of which have been costly to repair. This vehicle utilized an aluminum service body and it is starting to lose its paint in some areas. The truck has reached the end of its useful service life and therefore Administration recommends continuing with the current replacement schedule of eight years due to conditions of use and the current practice of replacing vehicles prior to incurring excessive repairs.

Community and Recreation Services

1. P 50-11 Kubota – Skid Steer - \$80,000

This unit is the main piece of construction and maintenance equipment within the Parks Department. This unit has logged over 1,249 hrs to date and has reached the lifecycle for daily use. As with past practices the unit will be transferred to the Public Works Department and used sparingly on an as needed basis. The fleet replacement schedule has been crafted to allow units, that are in acceptable working order, to be repurposed for other departments that may not use them on a daily basis. Public Works will replace this unit in the future as part of the regular fleet replacement schedule.

2. P 10-14 Kubota L4600 Tractor - \$42,000

The Parks Division has a fleet of three tractors used almost on a daily basis for the past 7 years. The 47 horse-power tractor is the Kubota 4701, 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 major repairs are expected in coming years. The tractor has logged 964 hours to date, within 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.

3. P 24-14 Trailer – Flat Bed 22' - \$12,000

This unit was approved for replacement last year, however, was not completed due to supply chain issues. The Parks Division intends to replace this unit in 2023, as previously approved with an adjustment to the allocation.

4. P 30-18 Jacobson HR 700 Mower - \$140,000

This mower is one of two large mowers within the Parks fleet that undertakes the mowing of the larger parks and sports fields. This mower was purchased in 2018 and has 1,478 operating hours, which is well above the ideal trade-in limit of 1,000 hours. This mower has been well maintained and has had relatively few major repairs but is now out of warranty coverage and will be very costly to repair as it ages beyond four seasons of rigorous operation. By replacing this mower on a three-year schedule, we are receiving a respectable trade-in value with excellent performance from machines that are critical to the daily maintenance of the sports fields and parklands.

5. P 32-20, P 33-20 & P 35-20 & P 34-20 Kubota ZD 1211 Mowers - \$26,000 each

The Parks Division has a fleet of six (6) zero-turn mowers that are used extensively on a daily basis throughout the warmer months to cut the turf in parks and sports fields. The three-year replacement schedule has proven to be very beneficial by greatly reducing any major repair costs, especially given that the units are under a limited 3-year warranty. Also, by keeping the hours under 1,000, we receive good trade-in values, making the annual operating costs very reasonable.

Development Services

1. T 01-07 Transit Bus - \$190,000

This allocation is a placeholder in the fleet schedule and will be detailed in a forthcoming report to Council.

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' Town of Tecumseh 2023 – 2032 Ten Year Fleet Funding Replacement Schedules attached to Report PWES-2023-32.

Appendix 'B' (attached) provides the summary of the annual fire apparatus replacement costs scheduled for the Community Safety department. The schedules reflect adjustments to the future costs based on current equipment values. Administration recommends that Council adopt the updated Appendix 'B' Town of Tecumseh 2023 – 2032 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules attached to Report PWES-2023-32.

Following Council's approval of the Report PWES-2023-32, Administration will prepare a "Request for Formal Quotes for Supply of Various Vehicles" (RFQ) with reference to the above noted vehicles to be replaced and in accordance with the Town's Purchasing Policy. The RFQ will be advertised on the Town's website. Each Manager will prepare a list of Suppliers and invitations to download the documents will be sent directly to each supplier.

Updating the Town's Fleet Strategy, including Green Fleet Considerations

In 2007, the Town undertook a fleet review prepared by an external consultant, Covenco Ltd. While this review has been updated annually, after 15 years, Administration has been working to modernize the review into a fleet management strategy with consideration for future technological advances associated with electric vehicles and associated infrastructure, such as charging stations. The Town has installed the first of ten charging stations through a partnership with Essex Powerlines with plans to continue to install additional electric vehicle charging stations at various Town facilities over the next year. Additionally, Administration is continuing to investigate the Electric Vehicle Chargers Ontario grant program (EVCO) to create a network of public electric vehicle 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.

It is further anticipated that when the Transportation Supervisor position is onboarded in 2024 (in accordance with the Organizational Review) it is intended that a Fleet

Management Strategy will be conducted to look for efficiencies, financial savings and other considerations.

Administration has been in consultation with local dealerships inquiring into the local availability for electric vehicles that could be incorporated into the Town fleet. Currently Ford has an electric truck in production although the availability is limited at this time. Dodge and General Motors are anticipating early 2024 will be the roll out of electric trucks throughout the industry. Administration intends that as the new fleet strategy progresses, a process for evaluating replacements with comparable e-vehicles will be established and implemented as the industry evolves to bring more models online.

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 and sold at Auction.

Consultations

Community & Recreation Services
Development Services
Financial Services

Financial Implications

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 \$18,000.

The estimated cost net of recoverable taxes is \$939,500 plus \$18,000 in outfitting for a total of \$957,500, with \$957,500 to be funded from the Lifecycle Fleet Reserve and \$0 to be funded from the Lifecycle Community Safety (formerly Fire) Apparatus Reserve. Total expenditures per Attachment A of \$1,262,500 includes the proposed purchases referenced within this report of \$957,500 plus \$305,000 of vehicles tendered in 2022, however not yet received or paid.

An increase to the target annual allocation, or annual requirement, to the Lifecycle Fleet Reserve of \$3,000 should be included in the 2024 Budget process to accommodate the backhoe equipment additions to the Town fleet.

As per last year's fleet replacement report PWES-2022-07 "2022 Supply of Various Vehicles", both Reserves were projected to be fully funded for the 10-year planning horizon assuming annual target allocations of \$520,000 to the Fleet Lifecycle Reserve

and \$334,000 to the Community Safety Apparatus Reserve achieved by 2026 and 2025 respectively.

Through the 2023 Budget process, the target annual allocation for the Lifecycle Fleet Reserve was proposed to increase from \$540,000 to \$558,000 referencing PWES-2022-07. The actual allocation approved through the 2023 Budget process was increased by \$40,000 from \$440,000 to \$480,000. Appendix A reflects the approved allocation for 2023 along with proposed increases in the following years to achieve the target allocation of \$558,000 by 2026.

Through the 2023 Budget process, the target annual allocation for the Lifecycle Community Safety Apparatus Reserve was increased by \$35,000, from \$294,000 to \$329,000 referencing PWES-2022-07. The actual allocation approved through the 2023 Budget process was increased by \$25,000, from \$214,000 to \$239,000. Appendix B reflects the approved allocation for 2023 along with proposed increases in the following years to achieve the target allocation of \$329,000 by 2026.

Despite the proposed future increases to reach those annual allocations by 2026, both Reserves project to be in significant deficit balances for the 2023-2032 10-year planning horizon. This is primarily due to extraordinary inflationary pressures experienced in all fleet categories during the past two years. Reductions to grant programs available to municipalities for fleet purchases is also a contributing factor, however not nearly to the degree of inflation.

Alternative solutions to traditional replacement, such as the tandem and single axle insert refurbishments, provide some relief in the near term and, depending on performance, may be part of the Town's fleet strategy going forward.

Barring other initiatives that may provide financial savings, further increases to both Reserve annual requirements must be considered for the 2024 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.

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Attachment Number	Attachment Name
1	Summary of 2023 Supply of Various Vehicles
2	Summary of Equipment to be Declared Surplus
3	Attachment 3 – Appendix A
4	Attachment 4 – Appendix B