



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: November 28, 2023

Report Number: PWES-2023-75

Subject: Water Service Vehicle Tender Award

Recommendations

It is recommended:

That the purchase of the 2023 Water Services Vehicle and service body, in the amount of \$133,745, **be awarded** to Oxford Dodge Chrysler;

And that the annual funding allocation, reflecting a total budget requirement of \$140,000 with a \$25,000 increase to the original allocation **be accommodated** as:

- Fleet Lifecycle Reserve – Increase from \$115,000 to \$140,000

Background

At the April 11, 2023 Regular Meeting of Council, Council authorized Administration to obtain quotations for the 2023 Supply of Various Vehicles within Report [PWES-2023-32](#) (Motion: RCM 94/23), 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 12, 2023, 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 October 26, 2023, 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 Chrysler	\$133,745
East Court Metro Ford Lincoln	\$150,479

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 \$18,745 or 16% 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 Chrysler 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	\$133,745
Outfitting	\$3,000
HST non-rebatable (1.76%)	\$2,407
Total	\$139,152
Approved allocation in 2023 (including outfitting)	\$115,000
Allocation deficit	\$24,152

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. An increase to the annual Lifecycle Fleet requirement will be considered during the annual budget process.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

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:

Dana Reid
Public Works & Engineering Services Assistant

Reviewed by:

Brad Dupuis, C. Tech.
Manager Water Services

Reviewed by:

Kirby McArdle, P.Eng.
Manager Public Works & Transportation

Reviewed by:

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

Reviewed by:

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

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None