



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: May 13, 2024

Report Number: PWES-2024-27

Subject: 2024 Supply of Various Vehicles

Recommendations

It is recommended:

That Report PWES-2024-27, 2024 Supply of Various Vehicles **be received**;

And that Administration **be authorized** to obtain quotations for the 2024 Supply of Various Vehicles as summarized in Attachment 1 to Report PWES-2024-27;

And further that the equipment summarized in Attachment 2 to Report PWES-2024-27 **be declared** surplus and disposed of through Part VI, Disposal of Surplus or Scrap Materials and Equipment of the Town's Purchasing Policy;

And furthermore, that Appendix A titled "Town of Tecumseh 2024-2033 Ten Year Fleet Funding and Replacement Schedules" and Appendix B titled "Town of Tecumseh 2024- 2033 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules" attached to Report PWES-2024-27, **be adopted** as amended;

And furthermore, that funding for the purchase of the 2024 Supply of Various Vehicles outlined in Appendix A in the amount of \$1,018,000 plus associated costs for outfitting, \$27,000, for a total of \$1,045,000 **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, eleven (11) vehicles and/or pieces of equipment are recommended for purchase in 2024, including the following:

1. Two crew cab trucks, one extended cab truck and one large area mower, one overseeder and one salter insert for Community & Recreation Services.
2. One backhoe, one 4x4 extended cab truck and one single axle plow unit for Public Works and Transportation Services.
3. One extended cab truck for Water Services.
4. One extended regular cab pick-up truck for Development Services (repurposed from Water).

Following Council's approval to purchase the recommended vehicles and equipment, in the amount of \$1,045,000, 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.

In 2007, 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 April 11, 2023, adopted the amended 2023 – 2032 Ten Year Fleet Replacement Schedule (“Fleet Replacement Schedule”), attached to [Report PWES-2023-32](#) (Motion RCM-94/23) 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 and Engineering Services, Water Services, Community and Recreation Services and Development Services the following information on existing vehicles is provided for Council’s consideration for the 2024 fleet replacements and additions:

Community and Recreation Services

1. P2-16 Regular Cab Pickup Truck - \$50,000

This 2016 vehicle has over 47,300 kilometers on it. It has been used for all Parks functions, but its main use is the Parks pool vehicle. It is driven extensively for service requests and all daily duties and is approaching the timeframe for replacement. Administration recommends replacement of this vehicle in accordance with the replacement schedule of 8-10 years due to the current practice of replacement prior to incurring considerable expenses for repair. This vehicle is being upgraded to a crew cab so it can serve as a regular duty use truck for the growing Parks operations.

2. P3-16 Crew Cab Pickup Truck - \$50,000

This 2016 vehicle has over 103,500 kilometers on it. It has been used for all Parks functions, mostly trailing equipment to and from parks. 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 practice of replacing vehicles before expensive repairs are incurred.

3. P8-16 Extended Cab Pickup Truck (becomes 4X4 2500) - \$65,000

This 2016 vehicle has over 72,000 kilometers on it. It has been used for all Parks functions, mostly trailing equipment to and from parks. 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 practice of replacing vehicles before expensive repairs are incurred. The upgrade to a 4X4

is necessitated by the dual purpose of this vehicle in the winter control season for the municipal parking lots.

4. P31-20 Large Area 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 2020 and has 1,640 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 anticipating a respectable trade-in value with excellent performance from machines that are critical to the daily maintenance of the sports fields and parklands.

5. P61-09 Overseeder - \$24,000

The Brillion overseeder is designed to plant grass seed into existing areas of turf, in order to introduce new grass plants growing within the established plants. The overseeder is now 15 years old and is reaching the end of its useful lifecycle. Some recent repairs have been required and there are signs of internal wear on the overall structure of the unit that will require more extensive repairs at some point. A new unit will be widely utilized as the Department undertakes a new 5-year initiative to greatly improve the quality of our sports fields. Overseeding is the most important component of that program.

6. P62-14 Salter - \$9,000

This piece of equipment was purchased during winter control season due to the need in maintain the Towns municipal parking lots and facility control. The existing unit was damaged and out of commission and the unit was due to be replaced.

Public Works and Engineering Services

1. PW13-15 Single Axle Plow - \$325,000

This vehicle, purchased in 2014, 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. Currently, this vehicle will take upwards of 2

years to be constructed so the need to begin the replacement process is paramount.

2. PW-10-14 4x4 Extended Cab Pickup Truck - \$60,000

This 2014 vehicle has over 180,000 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.

3. PWE03-14 Backhoe - \$175,000

There are 3,181 hours of service on this piece of equipment, which is used by Public Works for repairing all types of Town infrastructure. It was purchased in 2014. It is also the main piece of equipment used at the Towns north PW Yard to load salt into Town trucks for winter control. 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 will be inspected and reviewed in conjunction with the other backhoes in the Town Fleet, PWE02-10, 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 to achieve the most effective overall use of Town funds in operations and maintenance.

4. W2-14 Extended Cab Pickup Truck - \$50,000 (Water Services)

This 2014 vehicle has over 76,700 kilometers on it. It has been used for all Water Services functions, such as service requests, meter reading and daily and weekly testing routines; 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. This vehicle is in consideration for repurposing to the Building Department as they have requested a second vehicle for use in daily operations.

Development Services

1. Extended Cab Pickup Truck - \$35,000- NEW ADDITION

This vehicle is a new request for the department in anticipation of increased building and development services workload and is provisional, should the repurposing of W2-14 not be satisfactory for department needs. Currently, the Department has one vehicle and requested a second, with an initial request of smaller style trucks. In the short term and with the supply chain issues the industry is experiencing, the repurposing of one of the trucks being replaced from the Water Division should be a viable short-term solution. As the workload is experienced the Department can better realize what vehicles will suit daily use in future.

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 2024 – 2033 Ten Year Fleet Funding Replacement Schedules attached to Report PWES-2024-27.

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 2024 – 2033 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules attached to Report PWES-2024-27.

Following Council's approval of the Report PWES-2024-27, 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, since that time, 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, manufacturers have electric trucks in limited production and the availability is very selective at this time. Some manufacturers anticipating early 2024 for the roll out of electric trucks throughout the industry are scaling back the timeframes to allow for industry wide buy-in to be realized. 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. Proceeds from sale at auction go into the Lifecycle Fleet Reserve and/or Lifecycle Fire Apparatus Reserve, as applicable.

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 \$27,000.

The estimated cost net of recoverable taxes is \$1,018,000 plus \$27,000 in outfitting for a total of \$1,045,000, with \$1,045,000 to be funded from the Lifecycle Fleet Reserve. Total expenditures per Attachment A of \$1,402,000 includes the proposed purchases referenced within this report of \$1,018,000 plus \$360,000 of vehicles tendered in 2023, however not yet received or paid.

An increase to the target annual allocation, or annual requirement, to the Lifecycle Fleet Reserve of \$5,000 should be included in the 2025 Budget process to accommodate the Development Services Pick-up truck addition to the Town fleet included within this report.

As per last year's fleet replacement report PWES-2023-32 "2023 Supply of Various Vehicles", and despite inflationary increases to Reserve allocations, both Reserves were projected to be in deficit positions by the end of the 10-year planning horizon assuming annual target allocations of \$558,000 to the Fleet Lifecycle Reserve and \$329,000 to the Community Safety Apparatus Reserve were achieved by 2026.

Through the 2024 Budget process, the target annual allocation for the Lifecycle Fleet Reserve was increased from \$548,000 to \$600,000 referencing PWES-2023-32. The actual allocation approved through the 2024 Budget process was increased by \$18,000 from \$480,000 to \$498,000. Appendix A reflects the approved allocation for 2024 along with proposed increases in the following years to achieve the target allocation of \$600,000 by 2026.

Through the 2024 Budget process, the target annual allocation for the Lifecycle Community Safety Apparatus Reserve was increased by \$171,000, from \$329,000 to \$500,000 referencing PWES-2023-32. The actual allocation approved through the 2024 Budget process was increased by \$20,000, from \$239,000 to \$259,000. Appendix B reflects the approved allocation for 2024 along with proposed increases in the following years to achieve the target allocation of \$500,000 by 2030.

The Lifecycle Fleet Reserve projects to be in a deficit balance for the 2024-2033 10-year planning horizon despite reaching target allocations as planned by 2026. This is due to further inflationary increases for Plow Trucks, observed the past year and reflected in replacement values within this report.

The Community Safety Apparatus Reserve projects to be fully funded for the 2024-2033 10-year planning horizon provided target allocations are reached by 2030 and replacement valuations are within recent observations.

Alternative solutions to traditional replacement, such as the tandem and single axle insert refurbishments, which were undertaken in 2023, 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 the Lifecycle Fleet Reserve annual requirement must be considered for the 2025 Budget process.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input 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 checked="" 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.

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Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Summary of 2024 Supply of Various Vehicles
2	Summary of Equipment to be Declared Surplus
3	Appendix A - Town of Tecumseh 2024-2033 Ten Year Fleet Funding and Replacement Schedules
4	Appendix B - Town of Tecumseh 2024- 2033 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules