



The Corporation of the Town of Tecumseh

Public Works & Environmental Services

To: Mayor and Members of Council

From: Kirby McArdle, Manager Roads & Fleet

Date to Council: February 12, 2019

Report Number: PWES-2019-07

Subject: 2019 Supply of Various Vehicles

Recommendations

It is recommended:

That Administration **be authorized** to obtain quotations for the 2019 Supply of Various Vehicles as follows:

Appendices	Department	Vehicle	Estimated Price
Appendix A	Public Works	PW 12-12 2500 Crew Cab	\$35,000
	Parks	P 06-12 2500 4x4 Crew Cab – Plow Package	\$37,000
		P 31-16 Jacobson R311T Mower	\$44,000
		P 36-16 Kubota 331 Mower	\$15,000
		P 37-16 Kubota 331 Mower	\$15,000
	Water	W 06-11 Large Service Truck	\$85,000
		WE 10-04 Utility Trailer	\$2,600
	Recreation	AE 03-98 Zamboni	\$110,000
		Subtotal Appendix A	\$343,600
Appendix B	Fire	n/a	\$0
		Subtotal Appendix B	\$0
		Total Appendix A+B	\$343,600

And that the following equipment **be declared** surplus and disposed of through Part VI, Disposal of Surplus or Scrap Materials and Equipment of the Town's Purchasing By-law:

Department	Vehicle	Unit Number	Year Purchased
Public Works	PW 12-12 2500 Crew Cab	PW 12-12	2011
Parks	P 06-12 2500 4x4 Crew Cab	P 06-12	2011
	Jacobson R311T Mower	P 31-16	2016
	Kubota 331 Mower	P 36-16	2016
	Kubota 331 Mower	P 37-16	2016
Water	W 06-11 Large Service Truck	W 06-11	2010
	WE 10-04 Trailer	WE 10-04	2004
Recreation	Zamboni (pre-approved)	AE 03-98	2009

And further that Appendix A titled "Town of Tecumseh 2019 – 2028 Ten Year Fleet Funding and Replacement Schedules" and Appendix B titled "Town of Tecumseh 2019 – 2028 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules" attached to Public Works & Environmental Services Report No. 2019-07 **be adopted** as amended;

And furthermore that funding for the purchase of the 2019 Supply of Various Vehicles outlined in Appendix A in the amount of \$343,600 plus associated costs for outfitting, \$13,500, for a total of \$357,100 **be funded** from the Fleet Lifecycle Reserve.

Background

Council, at their meeting held January 30, 2018, adopted as amended the 2018-2027 Ten Year Fleet Replacement Schedule ("Fleet Replacement Schedule") as attached to the Public Works & Environmental Services Report No. 03/18 (Resolution RCM-20/18). The Fleet Replacement Schedule is used as a guideline for purchasing new vehicles in designated years. Council requested that a report be brought forward outlining the vehicles to be replaced on an annual basis for their information and consideration.

Comments

According to the Fleet Replacement Schedule and in consultation with the Parks, Public Works, Fire & Rescue Services and Planning & Building Services, the following is provided for Council's consideration for 2019 replacements/additions:

Public Works

1. PW 12-12: 2500 Crew Cab Truck - \$35,000

This vehicle has over 100,000 kilometers. It has been used daily for all Public Works functions (i.e. road patrol to service calls) 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.

Parks

1. P 6-12: 2500 Crew Cab Pickup - \$37,000

This truck was purchased in 2011 and has 94,000 kilometers. It has been used on a daily basis to tow heavy parks equipment and transport Parks crew for the regular maintenance of a number of parks. There are signs of heavy wear and tear on this vehicle due to the frequent short trips pulling heavy loads.

Administration recommends replacing this vehicle with a similarly configured truck since a crew cab is required to transport a crew of three to four people on a regular basis. At present, the Parks department has four crew cabs out of the fleet of eight trucks, which is sufficient to meet the transportation needs. The replacement schedule of eight years is appropriate prior to incurring considerable expense for repairs.

2. P 31-16: Jacobson R311T Mower - \$44,000

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 2016 and has 986 operating hours, approaching 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.

3. P 36-16 and P 37-16: Kubota 331 Mowers - \$30,000 (\$15,000 each)

The Parks department has a fleet of six zero-turn mowers that are the workhorses of the day-to-day maintenance operations. Two of the mowers were purchased in 2016 and have 758 and 793 hours respectively, both under the ideal trade-in limit of 1,000 hours. They have been very dependable machines with no major repairs required, but they are now out of warranty and expensive repairs are likely to be required in future years. By replacing them now, we will receive excellent trade-in values, while getting new machines that will be covered under full two-year warranties.

Recreation

1. AE 03-98: Zamboni Ice Resurfacer - \$110,000

At the July 24, 2018 regular meeting of Council, Council authorized Administration to pre-order and purchase a Zamboni ice resurfacer as requested under Report No. PRS-2018-15 (Motion: RCM-231/18). The Zamboni ice resurfacer will be delivered within the timeframe set out in the fleet replacement schedule and paid for upon receipt.

Water

1. W 06-11: Large Service Truck - \$85,000

There are 90,000 kilometers driven on this vehicle. The truck is one of two primary service trucks in the Water department. In recent years, this vehicle has had recurring engine problems (i.e., injector replacements and knocking) and exhaust issues due to emission requirements with diesel vehicles, all which have been costly to repair. This vehicle was the first year the Town 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 Administration therefore 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.

2. W 10-04: Utility Trailer - \$2,600

This trailer is used to transport the department trench box and other large equipment required for watermain break repairs. The purchase of a replacement trailer has been deferred over the last few years due to the trailer's acceptable condition. It has now reached the end of its useful life and a replacement trailer is now required and recommended.

Accordingly, Administration recommends that Administration be authorized to obtain quotations for the 2019 Supply of Various Vehicles as follows:

Appendices	Department	Vehicle	Estimated Price
Appendix A	Public Works	PW 12-12 2500 Crew Cab	\$35,000
	Parks	P 06-12 2500 4x4 Crew Cab – Plow Package	\$37,000
		P 31-16 Jacobson R311T Mower	\$44,000
		P 36-16 Kubota 331 Mower	\$15,000
		P 37-16 Kubota 331 Mower	\$15,000
	Water	W 06-11 Large Service Truck	\$85,000
		WE 10-04 Utility Trailer	\$2,600
	Recreation	AE 03-98 Zamboni	\$110,000
		Subtotal Appendix A	\$343,600
Appendix B	Fire	n/a	\$0
		Subtotal Appendix B	\$0
		Total Appendix A+B	\$343,600

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 titled “Town of Tecumseh 2019 – 2028 Ten Year Fleet Funding Replacement Schedules” attached to Public Works & Environmental Services Report No. PWES-2019-07.

Appendix B (attached) provides an updated summary of the annual fire apparatus replacement costs scheduled for the Fire and Rescue Services department. The updated schedules reflect adjustments to the future costs based on current equipment values. Administration recommends that Council adopt the updated Appendix B titled “Town of Tecumseh 2019 – 2028 Ten Year Fire and Rescue Services Apparatus Funding and Replacement Schedules” attached to Public Works & Environmental Services Report No. PWES-2019-07.

Following Council’s approval of the report, 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 also prepare a list of Suppliers and send invitations to download the RFQ directly to each supplier.

Green Fleet Considerations

Administration is continuing to investigate the Electric Vehicle Chargers Ontario (EVCO) grant program 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.

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.

It is recommended that Council authorize Administration to declare the following equipment surplus and dispose of said equipment through Part VI, Disposal of Surplus or Scrap Materials and Equipment, of the Town’s Purchasing By-law:

Department	Vehicle	Unit Number	Year Purchased
Public Works	PW 12-12 2500 Crew Cab	PW 12-12	2011
Parks	P 06-12 2500 4x4 Crew Cab	P 06-12	2011
	Jacobson R311T Mower	P 31-16	2016
	Kubota 331 Mower	P 35-16	2016

Department	Vehicle	Unit Number	Year Purchased
	Kubota 331 Mower	P 37-16	2016
Water	W 06-11 Large Service Truck	W 06-11	2010
	WE 10-04 Trailer	WE 10-04	2004
Recreation	Zamboni (pre-approved)	AE 03-98	2009

The equipment can be disposed of through Part VI, Disposal of Surplus or Scrap Materials and Equipment, of the Town's Purchasing By-law that states:

- a) All departments shall notify the Treasurer when items become obsolete or surplus to their requirements to ascertain if the items can be of use by another department rather than disposed of.
- b) Items that are not claimed for use by another department may be offered for sealed bids, public auction or other public sale, depending in the opinion of the Treasurer on which method is most suitable for the equipment or material involved.
- c) A major auction shall be held annually or as required dependent upon individual circumstances such as delivery of replacement items and storage capacity.
- d) The revenue from the sale of obsolete material shall be credited to the appropriate account.

Surplus equipment and vehicles continue to be made available to Town employees through public auction as per Part VI of the Town's Purchasing By-law. Town staff will be notified of the date and location of the impending auction.

According to the Ten Year Fleet Replacement Schedules as referenced in Motion RCM-214/09, "As Fleet vehicles and Fire Apparatus are sold, net proceeds be allocated to the Fleet Lifecycle Reserve and Fire Apparatus Lifecycle Reserve respectively." The intent will be to follow the recommendation and place the net proceeds into the appropriate reserve.

Consultations

Financial Services
Parks & Recreation Services
Planning & Building Services
Fire & Emergency Services

Financial Implications

The replacement values used in Appendices A and B are based on the original estimates provided by Covenco Ltd., in its report dated March 2007, adjusted forward for known changes based on recent purchases and quotes.

Funding for Town fleet purchases is accommodated through the Town's Lifecycle program, which includes two Lifecycle categories dedicated towards fleet replacement, i.e. Lifecycle Fire Apparatus and Lifecycle Fleet.

The funding allocations for Lifecycle categories are reviewed during the annual budget process. During the 2019 budget process, the annual allocation towards the Lifecycle Fire Apparatus category was increased by \$20,000 to address a projected irreversible reserve deficit. This deficit resulted from an update to the replacement cost for the Town's complement of four Engine/Rescue vehicles, based on a replacement cost review conducted in 2016 and an actual replacement cost incurred in 2018 for Pumper/Rescue 1.

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 \$2,700, for a total cost of \$13,500.

The estimated cost net of recoverable taxes is **\$343,600** plus \$13,500 associated retrofit costs, totalling **\$357,100**.

Administration recommends that funding for the purchase of the 2019 Supply of Various Vehicles plus associated costs for outfitting be funded from the Fleet Lifecycle Reserve in the approximate amount of **\$357,100**.

Under the current Schedule A, fleet replacement will be fully funded through the ten-year period.

Under the current Schedule B, fire and rescue apparatus replacement will be close to fully funded through the ten-year period, with the reserve projected to dip into a deficit position in 2028. Temporary dips into a deficit position can be expected from time to time for this lifecycle category when several vehicles are replaced during a short timeframe, which is anticipated during 2026-2029.

These vehicles are few in number, have longer replacement schedules, carry large replacement costs and are impacted by currency exchange fluctuations, which combined can potentially create a significant gap in actual replacement costs when the time comes to replace a vehicle and fluctuations between surplus and deficit for the reserve balance. Administration updates replacement costs for all units every five years to ensure the annual budget allocation is sufficient. The last such update was performed in 2016 and those updated replacement costs are reflected in Schedule B.

Link to Strategic Priorities

Applicable	2017-18 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 the Town of 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 the Town 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 Roads & Fleet

Reviewed by:

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

Reviewed by:

Luc Gagnon, CPA, CA, BMath
Director Financial Services & Treasurer

Recommended by:

Tony Haddad, MSA, CMO, CPFA
Chief Administrative Officer

Attachment Number	Attachment Name
1	Appendix A – Summary Town of Tecumseh Fleet Replacement Schedule 2019 to 2028
2	Appendix A – Public Works Fleet Replacement Schedule 2019 to 2028
3	Appendix A – Parks Fleet Replacement Schedule 2019 to 2028
4	Appendix A – Water and Building Fleet Replacement Schedules 2019 to 2028
5	Appendix A – Administration Fleet Replacement Schedule 2019 to 2028
6	Appendix A – Recreation and Transit Fleet Replacement Schedules 2019 to 2028
7	Appendix B – Summary Fire and Rescue Apparatus Fleet

Attachment Number	Attachment Name
8	Replacement Schedule 2019 to 2028 Appendix B – Fire and Rescue Apparatus Fleet Replacement Schedule 2019 to 2028