

COUNCIL REPORT

M&C No.	2020-261
Report Date	October 15, 2020
Meeting Date	October 26, 2020
Service Area	Transportation and Environment Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Fleet Replacement Procurement #1 – October 2020

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Kevin Loughery / Chris Roberts</i>	<i>Mike Hugenholtz / Jeff Hussey</i>	<i>John Collin</i>

RECOMMENDATION

It is recommended that Common Council award the purchase of two (2) full size, three-quarter ton, four wheel drive crew cab pick-up trucks at a total cost of \$166,263.00 plus HST to Dobson Chrysler Dodge.

EXECUTIVE SUMMARY

The City is committed to the rationalization of its fleet and equipment and the corresponding reduction of its fleet size. Since January of 2017, the City has seen a reduction of approximately 40 units and a further reduction of more than \$500,000 in annual operating costs through Fleet Utilization projects, consistent unit specifications and a closer standardization of the fleet.

The City is also seeing further reductions of units with the recently negotiated Outside Workers collective agreement. Service Areas are currently reviewing utilization and service impacts with the City's Fleet Service Division to capitalize on these changes.

The City's Fleet Services Division also continues to move towards more multi-use / multi-purpose units that can be utilized across service areas and for multiple service needs; as people units, equipment units and tool box units. The specifications of these units allow for cross-utilization.

Upon Completion of the current Fleet Utilization project, the City's Fleet Services Division with Continuous Improvement will be embarking on a second Pooling project related to Light Trucks and the aforementioned cross-utilization.

The City's Fleet Services Division is seeking approval to replace two (2) existing units which have reached the end of their useful service lives, with two (2) new units.

PREVIOUS RESOLUTION

Not applicable.

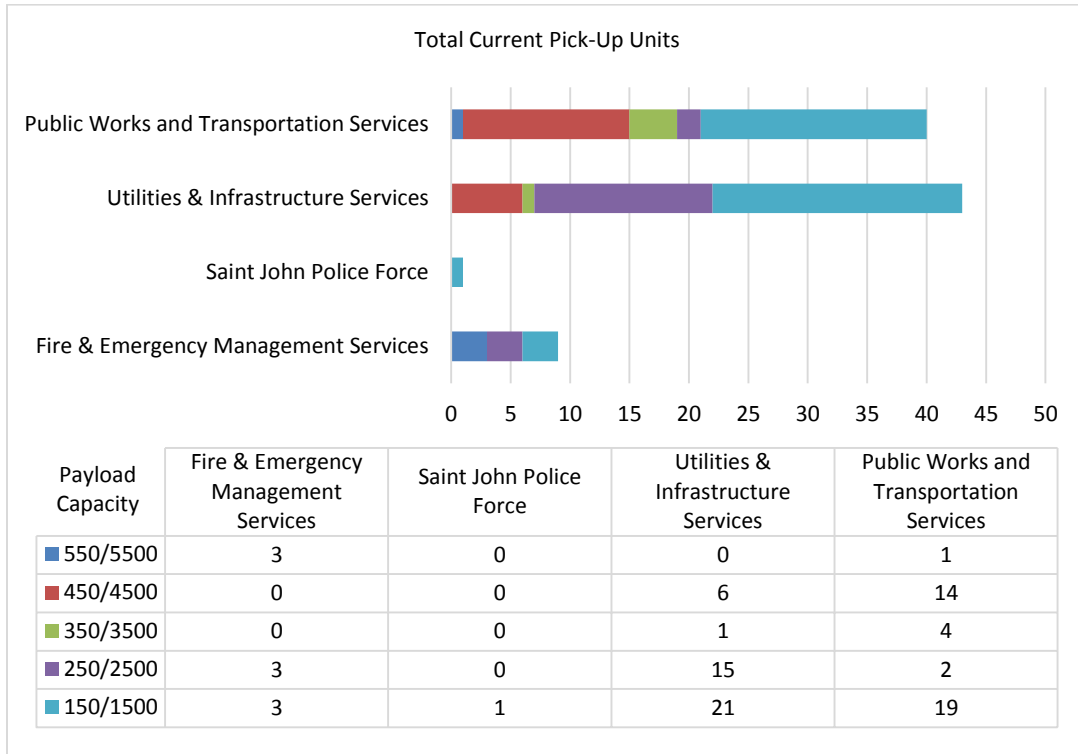
REPORT

Each year, the City's Fleet Services Division works with various City departments and commissions to identify and replace units which have reached the end of their useful service lives. The purpose of this report is to make recommendations to award the latest tendered units and/or equipment which require Common Council approval.

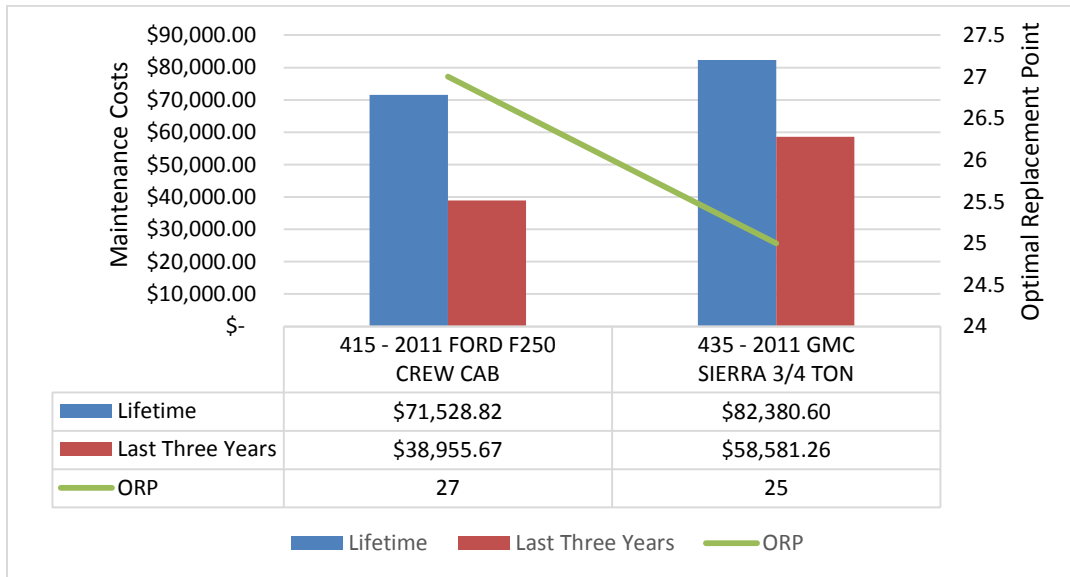
The City currently has over 75 units past their optimal replacement point (ORP, a calculation based on the age of a unit, the odometer reading, overall condition and maintenance cost) and this year, units (some of which are the least reliable and most expensive to maintain) will be replaced through the City's procurement processes.

The City's Fleet Management Division manages a fleet of approximately 93 pick-up trucks utilized by various City of Saint John departments and commissions. These people units, equipment units and tool box units perform a wide variety of tasks; crew movers, foreman, mini-packers, mini-dump, rescue, line painting, sign installation, crane, boom and bucket, locates, fleet pool, etc.

Below is a breakdown of departmental and commission allocations, as well as the payload capacity of the units.



The two (2) units in this recommendation are to replace two (2) units; 415 and 435.



The total lifetime maintenance costs for both of these units have already past or are quickly approaching the initial purchase prices and the escalating maintenance costs are expected to continue with continued operation. The unit specifications used in this tender process have been previously utilized for past recent purchases and should allow for a closer standardization of the fleet, should reallocation be required. The tentative delivery date on the new two (2) pick-up trucks is 26 weeks.

STRATEGIC ALIGNMENT

This report aligns with Council’s Priority for Valued Service Delivery, specifically as it relates to investing in sustainable City services and municipal infrastructure.

SERVICE AND FINANCIAL OUTCOMES

This purchase is a planned replacement of existing fleet equipment, approved in the 2020 capital budget. The funds specifically are provided for in the general fleet reserve and water fleet reserve, funded from the respected operating budgets.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

A public tender call was issued on September 2, 2020 and closed on September 22, 2020. Three (3) companies responded to the tender call by submitting bids. The results are as follows (excluding HST):

COMPANY NAME	TENDER PRICE*
Downey Ford Sales Ltd.	\$85,431.00
Dobson Chrysler Dodge	\$83,131.50
Moncton Chrysler	\$92,095.00

**Exclusive of HST*

Staff of Materials Management have reviewed the tenders and have found them to be complete and formal in every regard. Staff believes that the low tenderer is able to supply the equipment as required, and recommend acceptance of their tender.

The above process is in accordance with the City’s Procurement Policy and Materials Management support the recommendation being put forth.

ATTACHMENTS

None