

## COUNCIL REPORT

M&C No.	# 2020-266
Report Date	October 20, 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 #2 – 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
<b><i>Kevin Loughery / Chris Roberts</i></b>	<b><i>Mike Hugenholtz / Jeff Hussey</i></b>	<b><i>John Collin</i></b>

***RECOMMENDATION***

It is recommended that Common Council award the purchase of one (1) 2020 Trackless MT7 Articulating Municipal Tractor and one (1) Snow Lion Ice Breaker at a total cost of \$134,275.00 plus HST to Saunders Equipment Ltd.

***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 four (4) total existing units which have reached the end of their useful service lives, with one (1) new unit.

**PREVIOUS RESOLUTION**

Not applicable.

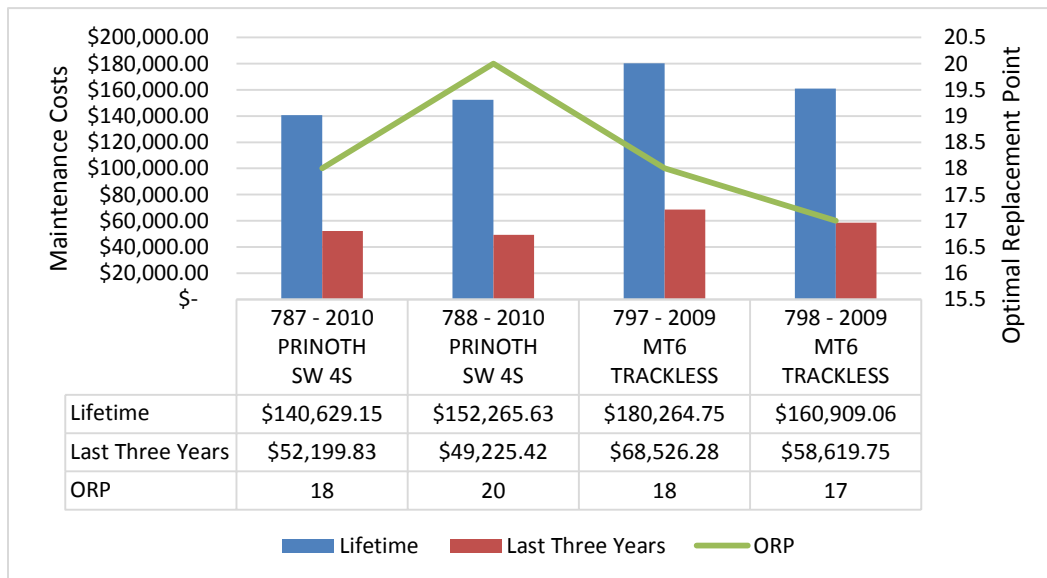
**REPORT**

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 14 sidewalk machines utilized by various City of Saint John departments and commissions. These tool box units perform a wide variety of tasks; sidewalk snow clearing, icebreaking and salting, stump grinding, asphalt planning, brush cutting, mowing, etc.

The one (1) unit in this recommendation is to replace four (4) units; 787, 788, 797 and 798.



The total lifetime maintenance costs for all 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 process have been previously utilized for past purchases and should allow for a closer standardization of the fleet. The tentative delivery date on the one (1) articulating municipal tractor is 2-3 weeks.

As a result of the Fleet Utilization project, two (2) of the units (tracked units) were deemed underutilized. In addition, one (1) of the units was deemed redundant due to the reduction in the number of employees as a result of sustainability projects. Any associated adjustments to service levels will be communicated as part of an upcoming update to Council on the Winter Management Plan.

With regards to the “Snow Lion Ice Breaker” there is currently a “Group Purchase Discount” associated with the purchase of a Trackless Unit offered by the manufacturer. The discount of \$23,650 is to be applied to any attachments purchased for the Trackless unit. In reviewing our currently inventory of attachments, it was decided to purchase the Snow Lion Ice Breaker at a price of \$28,175 for a difference of \$4525 in the total purchase. This will increase our ability to address icy sidewalk conditions for the upcoming winter season.

### ***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 – SUPPLY CHAIN MANAGEMENT***

In 2013, the City of Fredericton undertook a formal, publically advertised procurement process for the purpose of establishing a standing offer for the supply of municipal sidewalk tractors. The procurement documents in question contained a provision which enables other municipalities to avail themselves of the favourable pricing contained in the resultant standing offer. As such, the City of Saint John has the opportunity to acquire equipment via this standing offer while meeting its obligations under the Provincial Procurement Act and Regulation, and the City’s own Policy for the Procurement of Goods and Services.

Supply Chain Management has reviewed this procurement initiative and supports the recommendation being put forth.

***ATTACHMENTS***

None