



Date: September 16, 2019

To: Colin Smith, CAO

From: Geoff Crossman

Re: Supply & Delivery of One (1) New 2020 6x4 Truck Cab and Chassis,
GVW 68,000

We recently purchased a new Freightliner SD114 tandem plow truck from USL through the tendering process and Council awarded that purchase on May 27, 2019. The tender process we followed provides the Town the option to purchase a second truck at the same cost as our first truck if the order is placed before the end of September 2019. USL has indicated that they need 3 months lead time between ordering a new truck and having it shipped for plow gear installation.

If Council gives its approval to proceed the Town would not receive the truck until after January 1st 2020. The ten year capital plan includes a plan to acquire a tandem plow truck in the 2020 fiscal year.

Public Works is requesting that the Town take advantage of this purchasing options available to the Town to secure this second truck at this price. The Departments rationale for this decision:

- The pricing we received from USL in 2019 was of good value and it would be beneficial to take advantage of it again.
- If the purchase of the tandem truck is authorized this year, the Town will receive the truck early in 2020 and that would allow it to be used to support snow plowing services in 2020, instead of waiting until 2021. The earlier purchase of this truck in 2020 will allow the Town to retire a current truck that requires significant maintenance work to keep in operation.
- The proposed truck is an ideal model truck for the Town's fleet as it is a twin to the other recently purchased tandem.
- Minimum \$1,200.00 model year increase if built after December 2019

The tender 19-75 "Supply & Delivery of One (1) New 2020 6x4 Truck Cab and Chassis, GVW 68,000" stated that we have the right to purchase a second truck without tendering, if done so within one year of award. It reads as follows;

The Town of Riverview reserves the right to extend the award with the successful supplier on a yearly basis for additional quantity(s) of 68,000 GVW Tandem Truck(s) subject to mutual agreement of the Town of Riverview and the successful supplier for a maximum period of 1 additional year from date of award. However the Town reserves the right to re-tender at any time.


Therefore the tender the Town just completed allows us to take advantage of this pricing option.

The budget for truck & chassis and dump/spreader box and plow equipment in 2020 is \$360,000. Based on the above, I recommend the town purchase the second truck from Universal Truck & Trailer in the amount of \$160,950.00 + HST.

Since the cost of the truck is \$160,950.00 (plus HST) and the Town pays 4.29% HST, this leaves \$192,145.00 for the purchase and installation of the dump/spreader box and plow equipment. We believe this equipment and the final price of the complete truck to come in within budget.

The alternative option will be to wait until 2020 to complete a new tender after the budget is finalized, which may result in receiving tender prices and packaging that may be higher than the price we secured this year. There is the potential it could be lower as well, however that has not been the pricing trend on equipment the Town has experienced.

Geoff Crossman
Manager of Public Works



I agree with the above-mentioned recommendation.



Colin Smith, CAO