



Date: October 11, 2019

To: Colin Smith, CAO

From: Geoff Crossman

Re: Supply and installation of -body dump/spreader box and plow equipment

Council recently awarded purchase of a second new Freightliner SD114 tandem plow truck, to be delivered in early 2020, from USL through the agreement in tender 19-75, September 30th. 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. We have the same ability to purchase the plow equipment for said truck in the same manner, at the same price as we received in tender 19-75B.

If Council gives its approval to proceed, the plow equipment for the second truck can be built at the same time as the first truck (due to arrive in December) to speed up the assembly process. This will in turn allow us to take ownership of the second truck much earlier in 2020 than if we wait and tender the plow equipment in 2020. As with the truck this was a budgeted item for 2020 and the town will not be invoiced prior to receiving the truck in 2020.

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

- The pricing we received from Larochelle in 2019 was of good value and it would be beneficial to take advantage of it again. Larochelle was the lowest bidder during the tendering period.
- The proposed plow equipment is an exact match to the first truck purchased in 2019.
- If the purchase of the plow equipment is authorized this month, 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 arrival of this truck in 2020 will allow the Town to remove a current truck from service that continues to require significant maintenance and cost to keep in operable condition.

The tender 19-75B "Supply and installation of -body dump/spreader box and plow equipment" stated that we have the right to purchase a second set of plow equipment 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 U BODY DUMP/SPREADER

BOX AND PLOW EQUIPMENT 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.

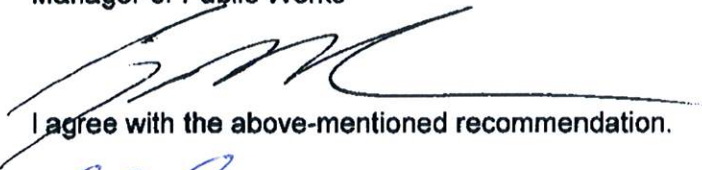
Therefore the tender the Town just completed allows us to take advantage of this pricing option.

The budget for truck & chassis and dump/spreader box and plow equipment in 2020 is \$360,000. Based on the recent approval to purchase the second plow truck from Universal Truck & Trailer in the amount of \$160,950.00 + HST, this leaves \$192,145.00 to purchase plow gear.

Since the cost of the plow gear is \$142,819.64 (plus HST) and the Town pays 4.29% HST, this brings the total cost to \$316,801.35 for the purchase of both the truck and plow equipment. This is \$43,198.65 under the forecasted 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 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. As well if we move forward in this manner we will have two new trucks within a short time period with matching equipment, allowing us to stock fewer parts and reduce maintenance costs for the snow operations fleet.

Geoff Crossman
Manager of Public Works



I agree with the above-mentioned recommendation.



Colin Smith, CAO