



Date: January 4, 2023
From: Department of Engineering & Public Works
Project: Tender 23-76
New 2023 four-wheel drive tractor with cold planer

The department is requesting that the Town take advantage of the Alternative Procurement Approval purchasing options available to the Town to purchase a secure a new 2023 four-wheel drive tractor with cold planer. We have completed the attached Alternative Procurement Approval form to support this request.

Purchase Cost before HST (from Tender)	\$ 238,045.00
Non-Refundable (NR) portion of HST	\$ 10,212.13
Total Tender Cost	\$ 248,257.13
<u>Additional estimated costs (incl NR HST)</u> N/A	\$ -
Total Cost	\$ 248,257.13
Budget Amount Per Capital Plan	\$ 250,000.00
Savings	\$ 1,742.87

I recommend that Riverview Town Council award tender 23-76 "New 2023 four-wheel drive tractor with cold planer" to Saunders Equipment Ltd. in the amount of \$238,045.00 + HST.

I agree with the above-mentioned recommendation.

Michel Ouellet, P.Eng.
Director of Engineering & Public Works

Colin Smith, CAO

Encl. Alternative Procurement Approval Request



Alternative Procurement Approval Request

Background

An exemption or alternative procurement method is a provision in Regulation 2014-93 under the Procurement Act whereby all or some of the normal competitive bidding processes do not need to be followed for the procurement of certain goods and services, and/or goods and services in certain circumstances. The Town may grant exemptions from the public tendering process and invite bids from select suppliers as described in Appendix A of the Town's Procurement Standard.

Approval Form and Submission Requirements

1. The Department Head or their designate must submit their request for an alternative procurement purchase in writing to Finance staff, using the form included in this document. The Department Head or their designate will:
 - a. Provide a summary of the requested service or product.
 - b. Explain why the product or service is required and how it will benefit the Town.
 - c. Explain why an alternative procurement purchase is necessary and cite the exemption from the Procurement policy that applies to the request.
 - d. Provide a summary of research conducted to support items 1 and 2 above.
 - e. Clarify if the request falls within the departmental budget.
 - f. Discuss any negative impacts that may occur if the exemption request is not approved.
2. Finance staff will discuss the request with the Department Head to ensure an alternative procurement purchase is required.
3. If the Procurement officer is satisfied an alternative procurement purchase is necessary, the request and explanation is sent to the CAO for approval.
4. The CAO and Legal Services will assess the request. If the request is approved, the CAO will notify the Finance staff, and if the request is denied, the CAO will notify the Finance staff and the Department Head explaining why the request has been denied.
5. If approval to proceed is given, negotiations with the available supplier or suppliers of the goods or services required will be conducted.
6. A contract or purchase order arising from the negotiations will be approved as per the Town's hierarchy of designated approvers defined in the Procurement policy.



Alternative Procurement Approval Request Form

Requestor Department: Engineering & Public Works

1. Provide a summary of the requested service or product:

The Department budgeted to replace a 2013 four-wheel drive Trackless tractor with **cold planer** front mount attachment. The unit will be used year-round and has the capability of supplementing the current fleet of sidewalk snowplow machines with interchangeable snowplow and blower attachments.

2. Explain why the product or service is required and how it will benefit the Town:

The proposed four-wheel drive tractor will be used year-round. In the summer months, it will be equipped with a **cold planer attachment** allowing us to grind curb for new driveway entrances. In the winter, it will replace an older sidewalk tractor plow and blow snow. The new unit will replace a 2013 Trackless tractor with plow, snow blower, and salter.

3. Explain why an alternative procurement purchase is necessary and cite the exemption from the Procurement policy that applies to the request:

This exemption is necessary to allow the town to purchase this unit now for a July 2023 delivery date. A worldwide limitation of fabrication of equipment poses a high risk to our snow removal service. By proceeding with this alternative procurement approach, we can ensure receiving the unit before the start of the 2023/24 winter season.

The City of Miramichi recently went to tender for a similar unit. The 2022 Miramichi tender included the clause that allows other municipalities to purchase similar units within one year of the contract award.

As a condition of award, the bidding party agrees that other New Brunswick municipalities may have the advantage of the price(s) accepted by the City of Miramichi. This in no way commits these municipalities to accepting this tender but provides them with the opportunity to take advantage of the City of Miramichi's pricing, subject to the Supplier having a unit available they are prepared to sell at said price.

This approach to purchasing equipment is approved under the New Brunswick procurement act and Riverview Town Council approved procurement policy. We would like to take advantage of this option for purchasing a 2023 Trackless MT7 four-wheel drive from Saunders Equipment Ltd.

4. Provide a summary of research conducted to support items 1 and 2 above:

Availability of machines and equipment has become a serious concern over the last few years. Supply chain issues are causing significant delays in acquiring equipment and for budgeting when purchasing equipment. The high demand and low production rates have significantly increased prices and placed a high risk on availability. This approach increases our chance of acquiring the product in the timelines we require and provide a reliable and reasonable price on the purchase of the equipment.

Some competitor brands are so far behind schedule in production that orders have now been pushed into 2024.

5. Clarify if the request falls within the departmental budget:

The budget for a new tractor and cold planer is \$250,000.

The cost of the 2023 Trackless MT7 tractor and attachments through the Miramichi tender is \$238,045.00 + HST. With the HST non-refundable rate applied, the purchase is \$1,742.87 below budget.

6. Discuss any negative impacts that may occur if the exemption request is not approved.

If we do not get approved for the exemption, we will have to tender for a new unit. In doing so we risk the following:

- 1) We tender for a unit that may take over a year to receive.
- 2) We will pay more for a unit at tender then through alternative procurement.