

# Town of Whitby

## Staff Report

[whitby.ca/CouncilCalendar](http://whitby.ca/CouncilCalendar)



---

### Report Title: T-9-2023 Supply and Delivery of Dump Trucks

---

**Report to:** Committee of the Whole

**Date of meeting:** May 8, 2023

**Report Number:** FS 03-23

**Department(s) Responsible:**

Community Services Department  
Financial Services Department

**Submitted by:**

John Romano, Commissioner  
Community Services  
Fuwing Wong, Commissioner Financial  
Services and Treasurer

**Acknowledged by M. Gaskell, Chief  
Administrative Officer**

**For additional information, contact:**

Robert MacPherson, Manager, Fleet  
Services  
905.430.4337

James Addorisio, Senior Buyer CSCMP  
905.444.2811

---

### 1. Recommendation:

1. That the Town proceed with an award to the low bid as received from Premier Truck Group for the Supply and Delivery of Dump Trucks, in the amount of \$3,696,000 (plus applicable taxes) funded from the capital projects as outlined in Table 4 of Report FS 03-23;
2. That the revised cost estimate for the supply and delivery of eight dump trucks in the amount of \$3,767,049.60, (inclusive of the proposed award) as outlined in Table 4 of Report FS 03-23, be approved; and,
3. That the budget shortfall in the amount of \$1,281,969.60 be funded from the asset management reserve, in the amount of \$1,105,503.60, and Development Charges reserve funds, in the amount of \$176,466, as outlined in Table 5 of Report FS 03-23.

**2. Highlights:**

- The tender provides for the supply of delivery of eight (8) Dump Trucks
- Staff have reviewed the two (2) submissions received for the above-mentioned tender. Staff recommend the acceptance of the low compliant bid as received from Premier Truck Group. References have been checked to the satisfaction of the Department.
- The proposed award is significantly over the approved budget, e.g., approximately \$1.28 million or approximately 52%, which is reflective high inflationary pressures and the continued impact of supply chain shortages in the automotive sector.
- Staff still recommend proceeding to award due to the approximately 60-week build/lead time before delivery, high demand/short supply, and no expectation of more favourable pricing in the short-term if the procurement were re-tendered in 2023.
- Under the Fleet to Trees program vendors are financially responsible for the preparation, delivery, and planting of trees. For this specification five (5) trees were requested. These trees will be planted with direction from the Parks Division, to form a “Carbon Sink”. This will mimic a natural forested area that can increase local biodiversity, improve air quality, allow for collection of leaves for decomposing and nutrients, create habitat for wildlife and provide shade.

**3. Background:**

The scope of work for this tender consists of the following two projects.

Supply and delivery of most currently available model year(s), custom built Dump Trucks with Snow Plow, Wing Plow, Harnesses, U-Body, etc.

Four (4) vehicles are to be Single-Axle.

Four (4) vehicles are to be Tandem-Axle.

Based on the provision of the supply and delivery of Eight (8) Dump Trucks, the following bids were received as outlined in Table 1 below:

Table 1

Bidder	Tender Amount (excluding HST)
Premier Truck Group	\$3,696,000.00
Rush Truck Centres of Canada	\$1,782,000.00**

\*\*Bid is Non-Complaint as the tender response did not reflect all 8 vehicles required by the Town.

References: References have been contacted for Premier Truck Group and are favorable. The Town also has successful experience with this vendor.

**4. Discussion:**

As noted in the Financial Consideration section, below, the proposed award is significantly over-budget, approximately \$1.28 million or 52% over the approved budget for the 8 trucks. The Town has the option to cancel the tender due to budget constraints and retender for the 8 vehicles later this year or in 2024. Subject to Council approval, it is recommended that the Town proceeds with the award in order to obtain the 8 vehicles required to service the community in a timely manner:

- There is an approximately 60-week build/delivery lead time so awarding now would mean delivery would be in 2024;
- Due to current market conditions, retendering would have the Town competing with other municipalities /buyers on the market and the 60-week lead time would start after the close of the new tender. For example, at the time of writing this report, the City of Oshawa has an open tender for seven (7) trucks set to close on May 7.
- Retendering may not result in better pricing given the continuance of supply chain shortages and high demand in the automotive industry;
- Based on down-time (e.g., vehicle taken out of service for repairs/ maintenance) tracked for the proposed replacement trucks, the timely replacement of the vehicles would mean more vehicles on the road/responding to weather events. Down-time for the vehicles over the years is as follows:

**Table 2**

Dump Truck Snow Plow Down Time							
Mechanics Hours							
	2022	2021	2020	2019	2018	2017	2016
Unit							
3314540	174	162	157	164	135	106	106
3314541	218	111	134	187	191	127	127
3314714	120	108	110	104	86	97	57
3314715	134	200	27	121	81	68	55
3314716	119	130	67	84	84	51	46
3315743	197	104	208	189	120	149	149
3315744	174	222	108	109	85	112	112
<b>Total</b>	<b>1134</b>	<b>1036</b>	<b>810</b>	<b>958</b>	<b>782</b>	<b>709</b>	<b>651</b>

- This style of truck is a combination of snow plow and standard dump truck. During the winter season these units are equipped with a plow and wing for clearing, scraping, and pushing snow to clear roadways and salt/ sand spreading devices to apply the 300 to 700 tonnes of material applied during a storm.
- During the spring to fall months these units transfer materials from various job sites, assist with shouldering, ditching, transporting equipment and culvert replacements.
- Supply shortages are still in effect. Failing to move forward could place the Town at risk of increasing in downtime (table 2) and not being able to meet service level standards.

**5. Financial Considerations**

As shown in Table 3, the budget for the dump trucks total \$2,485,080 and the revised cost estimate (including the proposed award) is \$3,767,049.60. Accordingly, there is a budget shortfall of \$1,281,969.60 or approximately 52% of the original budget.

**Table 3**

Cost of trees are part of the Fleet to Trees program where trees are planted to help offset the GHG of the vehicles.

Other Costs are for the installation of automatic vehicle location equipment and striping.

**Report FS 03-239-2023 Supply and Delivery of Dump Trucks**

The total approved budget of \$2,485,080 related to the revised cost estimate/proposed

<b>Project Breakdown</b>		
<b>Total Approved Budget</b>		<b>\$2,485,080.00</b>
Tender Amount	\$3,696,000.00	
HST	\$480,480.00	
Fleet to Trees Program	(3,500.00)	
<b>Total Contract Amount</b>	<b>\$4,172,980.00</b>	
Rebate	(\$415,430.40)	
<b>Net Contract Award Cost</b>	<b>\$3,757,549.60</b>	
Other Costs	\$6,000.00	
Cost of Trees	3,500.00	
<b>Revised Cost Estimate</b>		<b>\$3,767,049.60</b>
<b>Budget Surplus/(Shortfall)</b>		<b>(\$1,281,969.60)</b>

award is comprised of the capital projects noted in Table 4, below:

**Table 4**

<b>Projects</b>	<b>Total Budget</b>	<b>Revised Cost Estimate/ Proposed Award</b>	<b>Savings / (Overage)</b>
30248705 RDSR - Single Axle Dump / Plow & Wing #3314714	\$282,204	\$458,670.00	(\$176,466.00)
30248706 RDSR - Single Axle Dump / Plow & Wing #3314715	\$282,204	\$458,670.00	(\$176,466.00)
30248707 RDSR - Single Axle Dump / Plow & Wing #3314716	\$282,204	\$458,670.00	(\$176,466.00)
30222108 RDSR - Single Axle Dump / Plow & Wing Growth	\$282,204	\$458,670.00	(\$176,466.00)
30248703 RDSR - Tandem Axle Dump / Plow & Wing #3314540	\$339,066	\$483,092.40	(\$144,026.40)
30248704 RDSR - Tandem Axle Dump / Plow & Wing #3314541	\$339,066	\$483,092.40	(\$144,026.40)

**Report FS 03-239-2023 Supply and Delivery of Dump Trucks**

30258702 RDSR - Tandem Axle Dump / Plow & Wing #3315743	\$339,066	\$483,092.40	(\$144,026.40)
30258703 RDSR - Tandem Axle Dump / Plow & Wing #3315744	\$339,066	\$483,092.40	(\$144,026.40)
<b>Total</b>	<b>\$2,485,080</b>	<b>\$3,767,049.60</b>	<b>(\$1,281,969.60)</b>

As detailed in Table 5, based on original sources of funding for each of the capital projects, it is recommended that the net budget shortfall of \$1,281,969.60 be funded:

- From an additional \$1,105,503.60 draw from the Asset Management Reserve Fund for the replacement trucks;
- And \$176,466.00 be drawn from Development Charges reserve for the net new truck related to growth.

**Table 5**

<b>Project #</b>	<b>Project Name</b>	<b>Asset Management Reserve</b>	<b>DC</b>	<b>Net (Draw)/Return of Reserve Funds</b>
30248705	RDSR - Single Axle Dump / Plow & Wing #3314714	-\$176,466.00		-\$176,466.00
30248706	RDSR - Single Axle Dump / Plow & Wing #3314715	-\$176,466.00		-\$176,466.00
30248707	RDSR - Single Axle Dump / Plow & Wing #3314716	-\$176,466.00		-\$176,466.00
30222108	RDSR - Single Axle Dump / Plow & Wing Growth		-\$176,466.00	-\$176,466.00
30248703	RDSR - Tandem Axle Dump / Plow & Wing #3314540	-\$144,026.40		-\$144,026.40
30248704	RDSR - Tandem Axle Dump / Plow & Wing #3314541	-\$144,026.40		-\$144,026.40

# Report FS 03-239-2023 Supply and Delivery of Dump Trucks

Committee of the Whole

Page 7 of 8

30258702	RDSR - Tandem Axle Dump / Plow & Wing #3315743	-\$144,026.40		-\$144,026.40
30258703	RDSR - Tandem Axle Dump / Plow & Wing #3315744	-\$144,026.40		-\$144,026.40
<b>Total</b>		<b>-\$1,105,503.60</b>	<b>-\$176,466.00</b>	<b>\$1,281,969.60</b>

In accordance with the Capital Budget Monitoring Policy F170, a Department Head and the Treasurer have the authority to approve capital project budget increases up-to \$200,000.

In accordance with the Procurement Policy F080, 5.3 Conditions of the Delegated Authority a) there is sufficient funding in the Approved Budget. Since there is insufficient funding in the Approved Budget, Council is to approve any procurements that exceed the delegated authority.

The proposed award exceeds the delegated authority limits provided to staff.

## 6. Communication and Public Engagement:

Not Applicable

## 7. Input from Departments/Sources:

Operations and Financial Services worked jointly throughout the tendering process and the preparation of this report.

**8. Strategic Priorities:**

This project lines up with the Towns Strategic Priorities by providing a consistent, optimized, and positive customer service experience through designing services and equipment around customer needs so there is clearly defined service levels.

Providing clear safe roads for accessibility using levels of transport and utilizing modern systems to reduce emissions and salt applications during winter periods reducing environmental impacts for a more sustainable future.

**9. Attachments:**

N/A