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Date: February 28, 2019
To: Mayor and Council
Author: G.A. Plancke / Director of Municipal Services
RE: Wastewater Fleet Acquisition
Report No.: MS 2019 - 13

AIM

To recommend purchase of a 2014 Peterbilt 348 tandem dump truck from Brandt Truck Rigging and Trailers in Nisku AB.

BACKGROUND

\$100,000 was approved through the 2019 budget deliberation process for the replacement of the 1997 International tandem dump truck currently used to haul sludge from the Lakeshore West Pollution Control Plant to the Regional Landfill. This \$100,000 is to be drawn from the Wastewater Fleet /Equipment Reserve with no impact to taxation.

During the Regular Meeting of Council held February 25, 2019, Council authorized the Director of Municipal Services a onetime exemption to the Procurement of Goods and Services Policy to negotiate and purchase a suitable truck up to the \$100,000 upset threshold without specific Council approval of the purchase due to the volatility of the used heavy truck market. (*Resolution 154-2019*)

DISCUSSION

A nationwide and beyond search utilizing web searches and contacting various used heavy truck dealers/brokers was conducted to locate a suitable replacement tandem dump truck. OCWA operational staff were consulted to determine specifications and required options including the size (wheel base and length), Gross Vehicle Weight Rating (GVWR), optional equipment such as an automatic transmission, aluminum wheels, corrosion resistant hardware, and special configurations specific to the intended use of hauling sewage sludge. Several trucks were located within North America that matched many of our specifications. Unfortunately, many Canadian trucks within the \$100,000 upset threshold were high mileage well utilized trucks. The US based trucks seems to be in better condition overall, however due to the exchange rate most exceeded the \$100,000 threshold.

All are available with warranty as dealer options however due to the location of these trucks; realizing warranty claims on a used truck perhaps thousands of kilometers away from the dealer offering the warranty would be problematic.

Table 1. Below represents an example of available tandem trucks meeting specification within the \$100,000 upset threshold.

Table 1.

Specification	Vendor	Price
2013 Kenworth T800 857,374 km	CTS Inland / Winnipeg MB	\$100,000
2012 Western Star 4900F 527,513 km	Western Truck & Trailer Edmonton AB	\$89,900
2011 Peterbilt 388 839,502 km	RJ Trucks, St Agatha, ON	\$99,000
2011 International Paystar 541,162 km	Private Sale, Brampton ON	\$95,000

Purchasing a suitable truck within the \$100,000 upset threshold is achievable, however as our research has shown, the available trucks in this price category tend to be a little older, higher mileage, and well used trucks. Based on our Fleet / Equipment replacement schedule, any of these trucks could have an additional ten (10) years of service life remaining, however major repair costs due to mileage wear is a realistic concern.

In order to avoid these types of major repair and or warranty related issues, the search parameters were revised to include newer model, lower mileage trucks, with some remaining factory warranty, allowing the option of any local approved warranty shop to complete repairs if and as required.

As a result, a 2014 Peterbilt 348 tandem dump truck was located in Nisku AB, which met all the specifications of the vehicle we are looking to obtain. In discussions with the dealership, they explained that the truck is in excellent shape, has low mileage (167,985 km), safety certified in Alberta, has some remaining factory warranty, rust free, and priced competitively for the market. They currently have two of these units available. Their firm asking price is \$119,900 + an additional \$3600 to deliver to Kingsville for a combined total unit price of \$125,673.60 inclusive of the tax burden. This price is much lower than comparable units sourced to date. This price is cheaper than similar units located within Ontario with little or no delivery charges. It is obvious that an additional 25% increase in value to the search parameters results in a substantial increase in the quality of the available trucks. With this truck, the Town may actually realize a fifteen (15) year service life, which would defer future capital replacement costs an additional five (5) years.



Since this value exceeds the \$100,000 authorization provided to the Director for this specific purchase, Council is being requested to approve this procurement.

LINK TO STRATEGIC PLAN

Effectively manage corporate resources and maximize performance in day-to-day operations.

FINANCIAL CONSIDERATIONS

Wastewater Fleet / Equipment Reserve account will have a balance of \$164,916 after the 2019 contribution to reserves is complete. \$100,000 is approved for purchase of a replacement tandem dump truck as part of the 2019 budget deliberation process. In order to purchase this truck, an additional \$25,673.60 would be required from the Wastewater Fleet / Equipment Reserve without tax impact.

CONSULTATIONS

C.A.O.
Director of Financial Services
Municipal Services internal review
Ontario Clean Water Agency operating staff.

RECOMMENDATION

That Council approve the purchase of a 2014 Peterbilt 348 tandem dump truck from Brandt Truck Rigging and Trailers in Nisku AB, for the combined total price of \$125,673.60 with funding allocated from the Wastewater Fleet / Equipment Reserve.

Respectfully submitted,

G.A. Plancke
G.A. Plancke Civil Eng. Tech (Env)
Director of Municipal Services

Peggy Van Mierlo-West
Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer