



REPORT N° INF2019-029

Date	30/09/2019
Submitted by	Julian Lenhart
Subject	Replacement of Public Works Sterling 2010 Tandem Truck.
File N°	

1) **NATURE/GOAL :**

The purpose of this report is to deviate from the City's Procurement Policy and Procedures in order to replace the Sterling 2010 Tandem truck via request for proposal and that the funds be approved in advance of the 2020 budgetary deliberations.

2) **DIRECTIVE/PREVIOUS POLICY :**

N/A

3) **DEPARTMENT'S RECOMMENDATION :**

WHEREAS the sterling 2010 Tandem was inspected by both the City's mechanics and a third-party mechanic and that both recommended that it be immediately removed from the fleet due to safety concerns; and

WHEREAS due to the time constraint to have a replacement Tandem in time for winter operations and given the time required for the tender process; and

WHEREAS the replacement of the Sterling 2010 Tandem is proposed in the 2020 draft budget;

THAT Council approves that the Department deviates from the Procurement Policy to purchase a new Tandem by means of a Request For Quote process instead of a Tender process; and

THAT Council approves to advance the funds from the 2020 budget and debt finance the tandem replacement costs of \$350,000.

ATTENDU QUE le tandem sterling 2010 a été inspecté à la fois par les mécaniciens de la Ville et par un tiers, et que tous deux ont recommandé qu'il soit immédiatement retiré de la flotte pour des raisons de sécurité; et

ATTENDU Qu'en raison de la contrainte de temps pour avoir un Tandem de remplacement à temps pour les opérations d'hiver et compte tenu du temps requis pour le processus d'appel d'offres; et

ATTENDU QUE le remplacement du tandem Sterling 2010 est proposé dans le budget préliminaire 2020;

QUE le conseil approuve que le département dévie de la politique d'approvisionnement en achetant un nouveau tandem au moyen d'un processus de demande de devis au lieu d'un processus de soumission; et

QUE le conseil approuve l'avance des fonds du budget 2020 et finance par la dette les coûts de remplacement du tandem de 350 000 \$.

4) **BACKGROUND :**

Report FIN2018-025 Fleet Management Plan was approved by Council on November 5, 2018. The Plan establishes useful life and replacement costs by fleet type. As identified in the Fleet Management Plan, Tandem trucks with salt box and plow have a useful life of 10 years. Public Works has 2 Tandem trucks that have far exceeded their useful life, the Sterling 2010 Tandem is now 20 years old and Tandem 2550 is now 15 years old. Both Tandems have been identified in previous budgets, but have been differed due to lack of capital funding.

5) **DISCUSSION :**

During a routine 90-day inspection, staff noticed that the frame rail of the Sterling 2010 Tandem truck was cracked and was no longer safe to use. The Department retained the services of Eastway for a second opinion, which confirmed that the frame rail was cracked. Following these inspections, the tandem was immediately removed from the fleet and is no longer in service. Below are additional deficiencies found during these inspections as well as estimated costs to fix them or to replace the Tandem.

Repair Sterling 2010	
Cracked frame rail	\$37,000
Engine replacement, engine is showing signs of significant internal wear	\$67,000
New transmission	\$4,000
New rear differential	\$6,000
Total repair costs	\$114,000
Replace Sterling 2010	
New Tandem	\$350,000

The Department was proposing the replacement of the Sterling 2010 Tandem in the 2020 draft budget. However, in light of the recent inspection and subsequent removal from the fleet, the Department

recommends that the funds be advanced to 2019 in order to replace it in time for the winter operations. Without the replacement of the Sterling 2010 Tandem, the Department cannot meet the levels of service established in its winter maintenance policy nor can it meet those of the Provincial Minimum Maintenance Standard. Not meeting these standards puts the City at risk of insurance claims or legal action against it due to accidents and injuries.

In order to purchase a new Tandem and have it in service before the winter operations, the Department recommends deviating from the Procurement Policy. More specifically, the Department recommends deviating from the required tendering process, for a purchase of \$50,000 or more, and instead purchase the Tandem through a Request For Quotes (RFQ) process. The RFQ process will shorten the purchase time from the two-month minimum required for a tender to two weeks for a RFQ. This will allow the Department sufficient time to purchase a new Tandem and have it in service before the winter operations.

6) **CONSULTATION:**

The Department consulted Eastway and obtained a second opinion.

7) **RECOMMENDATIONS OR COMMENTS FROM COMMITTEE/ OTHER DEPARTMENTS :**

N/A

8) **FINANCIAL IMPACT (expenses/material/etc.):**

The Tandem replacement cost of \$350,000 will be advanced from the 2020 budget and will be financed by debt. The financing source could always be changed during the 2020 budget deliberation by Council if savings are created by the elimination of other projects.

9) **LEGAL IMPLICATIONS :**

The City has a legal requirement to meet the Provincial Minimum Maintenance Service levels and to keep the roads in a state of good repair as defined in this standard.

10) **RISK MANAGEMENT :**

Not replacing the Sterling 2010 Tandem significantly increases the City's risks for potential insurance claims or legal action.

11) **STRATEGIC IMPLICATIONS :**

N/A

12) **SUPPORTING DOCUMENTS:**

Attachement 1 – 90-Day Inspection Report

Attachement 2 – Report FIN2018-025