

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 23, 2018

Item 9, Report No. 5, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on May 23, 2018.

9 CAPITAL BUDGET AMENDMENTS FOR REPLACEMENT TANDEM DUMP TRUCKS - FL-5425-18 AND FL-5427-18

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Public Works, dated May 7, 2018:

Recommendations

1. That the approved budget in Capital Projects FL-5425-18 - PW-RDS-Replace Unit #1094 with tandem dump truck and FL-5427-18 - PW-RDS-Replace Unit #1159 with tandem dump truck be increased by a combined amount of \$92,000, funded from the Vehicle Replacement Reserve; and
2. That inclusion of this matter on a Public Committee or Council agenda with respect to amending the capital budgets as identified above be deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002, as amended.

Item:



Finance, Administration and Audit Committee Report

DATE: Monday, May 07, 2018

WARD(S): ALL

**TITLE: CAPITAL BUDGET AMENDMENTS FOR REPLACEMENT
TANDEM DUMP TRUCKS - FL-5425-18 AND FL-5427-18**

FROM:

Stephen Collins, Deputy City Manager, Public Works

ACTION: DECISION

Purpose

The purpose of this report is to seek Council approval to increase the capital project budgets for FL-5425-18 and FL-5427-18 for replacement tandem dump trucks.

Report Highlights

- The City has received new information indicating that projects FL-5425-18 and FL-5427-18 are insufficiently budgeted to award the replacement of 2 tandem dump trucks

Recommendations

1. That the approved budget in Capital Projects FL-5425-18 - PW-RDS-Replace Unit #1094 with tandem dump truck and FL-5427-18 - PW-RDS-Replace Unit #1159 with tandem dump truck be increased by a combined amount of \$92,000, funded from the Vehicle Replacement Reserve; and

2. That inclusion of this matter on a Public Committee or Council agenda with respect to amending the capital budgets as identified above be deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002, as amended.

Background

The capital projects listed fund the procurement of two replacement work trucks that have reached the end of their service lives. The two units will support the delivery of City Public Works Roads services by staff.

Review of the competitive bid information received in 2017 for similar equipment informs that the current project budgets will be insufficient for the equipment required.

We are seeking to update the two capital projects, prior to engaging Procurement to tender the units.

Previous Reports/Authority

N/A

Analysis and Options

These capital projects fund the procurement of two replacement tandem dump trucks that have reached end of life and are scheduled to be removed from service. The units are used to support road and park maintenance and snow operations through the winter season on the road network and within the VMC. The services delivered are key to ensuring we meet our commitment during this term of Council to improve the City's road network; ensure that we invest, renew and manage infrastructure and assets; and, ensure a focus on our commitment to improving Citizen experience by providing Consistent Service Delivery through improved availability and use of tools and resources.

2017 costs for similar equipment informs that the budgets for projects FL-5425-18 and FL-5427-18 will likely be insufficient to award the projects listed when tendered.

Should the budget amendment be approved, the Request for Tender for the two units will be executed in compliance with the Corporate Procurement Policy assuring that the award within the amended budget represents good value to the City for this necessary equipment. Post award of the tender, and following receipt of the replacement units, the capital projects will be closed.

One alternative to this budget amendment is to alter the specifications of the units so as to reduce capability and performance. Doing so will reduce the effectiveness, flexibility, and utility of the units, as well as impact service delivery efficiency and productivity. Further, the activity of re-specification will delay tendering and delivery of the units. This alternative is therefore not recommended.

A second alternative to this budget amendment is to request that Council increase the project budgets through the normal budget process – achieving the same result as the report. However, tendering of the two needed vehicles will be delayed to 2019, with unit

arrivals toward the end of 2019 or beginning of 2020. Given that the units have reached the end of their service lives, this alternative is not recommended.

Financial Impact

The current approved capital budgets are not likely to be sufficient to fund the total cost of the equipment being tendered. As such, a combined capital budget amendment of \$92,000 is required. The recommended capital budget increases will be funded from the Vehicle Replacement Reserve. Any residual funds will be returned to the original funding source.

The additional funds required in each project are summarized in the table below.

Table 1: Capital Budget Amendment Summary			
	FL-5425-18	FL-5427-18	Total
	Replacement of Two Tandem Dump Trucks		
	Replace Unit #1094	Replace Unit #1159	
Total Estimated Costs (including HST and 3% Administration Recovery)	\$362,210	\$362,210	\$724,420
Less: Approved Budget	\$316,210	\$316,210	\$632,420
Budget Amendment Required	\$46,000	\$46,000	\$92,000
Funding Source:			
Vehicle Replacement Reserve	\$46,000	\$46,000	\$92,000

Broader Regional Impacts/Considerations

There are no regional implications from the recommendations of this report.

Conclusion

Staff recommends that an increase to the approved budgets in Capital Projects FL-5425-18 and FL-5427-18 be approved to ensure sufficient funds to award a tender contract in 2018 for this needed equipment.

For more information, please contact: Donald Eta, Director, Fleet Management Services.

Attachments

There are no additional attachments for this report.

Prepared by

Donald Eta, Director, Fleet Management Services, ext. 6141