

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 11, Report No. 10, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 23, 2015.

**11 BUDGET AMENDMENT AND SINGLE SOURCE APPROVAL
 FOR REFURBISHMENT OF SMEAL PUMPER 7973**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Fire Chief, dated June 15, 2015:

Recommendation

The Fire Chief, in consultation with the City Manager, the Director of Purchasing, and the Director of Financial Planning & Analytics recommends:

1. That the contract for mid-life refurbishment of Smeal Pumper 7973 be awarded to Smeal Fire Apparatus Co. as single source for the sum of \$142,939 US dollars, or approximately \$173,030 CAD dollars, plus applicable taxes, with funding from capital project FR-3579-15;
2. That a 5% contingency allowance in the amount of \$8,651.50 be approved to account for fluctuations in the US dollar exchange rate;
3. That a budget increase of \$10,180 be approved for capital project FR-3579-15 Refurbishment of Smeal Pumper 7973 and be funded from the Fire Equipment Reserve;
4. That the inclusion of this matter on a Public Committee or Council agenda with respect to increasing the capital budget for FR-3579-15 Refurbishment of Smeal Pumper 7973 is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002 as amended; and
5. That the Mayor and City Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

N/A

Economic Impact

As per standard maintenance practices, Pumper 7973 requires scheduled mid-life refurbishments in order to remain in service. Anticipated costs were assessed during the budget process via approved capital project FR-3579-15 in the amount of \$180,250. As a result of fluctuations in the US dollar exchange rate, a budget amendment in the amount of \$10,180 is being recommended to accommodate any future foreign exchange rate risk. This would result in a revised capital budget of \$190,430.

Communications Plan

N/A

Purpose

To obtain Council approval for the single source award to Smeal Fire Apparatus Co. for the mid-life refurbishment of Pumper 7973 and a budget amendment of \$10,180 to capital project FR-3579-15.

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Background - Analysis and Options

Through the Business Plan Process, Vaughan Fire and Rescue Service requested a mid-life refurbishment for Pumper 7973 response vehicle in order to meet the NFPA Level 1 refurbishing guideline which includes drive train rebuilt, body, paint, stripping, power supply upgrade, electrical system replacement, fire pump rebuilt & certification, aerial repair & certification including all hydraulic systems. Other additional safety feature options which are pertinent to the refurbishment are also being requested.

Smeal Fire Apparatus Co. is the original manufacturer of vehicle 7973 and possesses the expertise, knowledge and skill set to ensure compliance with NFPA Level 1 refurbishment and Smeal Ladder specification/warranty.

As illustrated in the table below, the refurbishment of Smeal Pumper 7973 can be funded from approved capital project FR-3579-15 and the budget amendment. Additional funding of \$10,180 is required to accommodate foreign exchange risk. The additional funding can be funded from the Fire Equipment Reserve.

Approved Capital Budget (CAD)		
FR-3579-15		\$180,250.00
Quote - Smeal Fire Apparatus Co. (USD)		
Standard mid-life refurbishment		117,939.15
Additional Safety Features		25,000.00
	Total (USD)	142,939.15
US Exchange Rate*	@ 1.2105	30,090.85
Quote - Smeal Fire Apparatus Co. (CAD)		173,030.00
Contingency (5%)		8,651.50
Non-refundable portion of HST (1.76%)		3,197.59
Administration Recovery (3%)		5,546.37
Total Costs per Quote		190,425.46
Total Costs per Quote (rounded) (CAD)		\$190,430.00
Shortfall (CAD)		-\$10,180.00
Budget Amendment: Fire Equipment Reserve		10,180.00

*April 27, 2015 closing USD to CAD exchange rate; Bank of Canada

The quotes received from Smeal Fire Apparatus Co. are in US dollars; an exchange rate of \$1.2105, based on the Bank of Canada's April 27, 2015 closing rate, has been applied to estimate the equivalent cost in CAD dollars. This exchange rate is approximately eleven cents higher than the average US dollar exchange rate at the time the original budget was developed in 2014. As a result of the depreciating CAD dollar, the CAD equivalent cost of the refurbishment is higher than originally anticipated and a 5% contingency is being recommended to offset any further impact of foreign exchange risk. If, at the requested close of this project, there are any remaining funds, these funds will be returned to their original funding source. The refurbishment is in accordance with the Purchasing Policy 9.1 (A). It is anticipated that the capital project will be closed in 2016.

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Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved. This report conforms to:

- Pursue Excellence in Service Delivery

Regional Implications

This report has no regional implications

Conclusion

It is recommended that the contract for the mid-life refurbishment of Smeal Pumper 7973 be single sourced to Smeal Fire Apparatus Co. Smeal Fire Apparatus Co. is the original manufacturer and possesses the expertise, knowledge and skill set to ensure compliance with NFPA requirements and therefore single sourcing this contract is justified.

Attachments

N/A

Report prepared by:

L. Bentley
Fire Chief