

## CITY OF VAUGHAN

### EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 21, 2015

Item 9, Report No. 17, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on April 21, 2015.

#### **9 SINGLE SOURCE REQUEST 2014 – FORESTRY CHIPPER TRUCK WITH 70' BOOM ALL WARDS**

**The Committee of the Whole recommends approval of the recommendation contained in the following report of the Commissioner of Public Works, dated April 14, 2015:**

##### **Recommendation**

The Commissioner of Public Works, in consultation with the Director of Transportation Services, Parks and Forestry Operations, Director of Purchasing, and the Director of Financial Planning & Analytics recommends:

1. That the acquisition of an additional 2014 Forestry Chipper truck with 70' boom be single sourced by the following vendor:

- Allan Fyfe Equipment Ltd.

##### **Contribution to Sustainability**

The City's maturing tree canopy is growing beyond the reach of the existing chipper truck's aerial device. The acquisition of the chipper truck with a 70' boom has a direct effect on the City's ability to respond effectively to large tree emergency and maintenance situations that are beyond the capacity of the existing equipment. The new truck will complement the recent hiring of two arborists in order to increase the City's ability to respond to resident requests for tree maintenance and safety concerns, as well as meeting the City's service levels.

##### **Economic Impact**

**The single source acquisition of the chipper truck with a 70' boom is \$181,657.00, plus applicable taxes. The unit is valued at \$198,000.00.**

The cost for the acquisition for the chipper truck at \$181,657.00 is funded through the 2013 Capital Project FL-5287-13 of \$206,000.00. Including applicable taxes and administration fees the project delivers a positive balance of \$15,349.00. The unit has been fully evaluated by the City's Forestry Department for nine months and deemed to meet operational requirements, while having been independently evaluated at \$198,000.00 (Jan 9, 2015), as per attachment.

The chipper truck was rented at a monthly rate of \$5,200.00 on a six month trial basis with 85% of the rate being applied to the purchase price of \$204,864.00 if the City chooses to purchase the unit outright, with \$23,207.10 of rental amount being applied to the Capital acquisition cost. Rental costs for the initial four months were funded through the Ontario Disaster Relief Assistance Program (ODRAP). Should the City elect not to proceed with the buyout, six months rental will need to be funded through the department's operating budget at a cost of \$31,200.00.

##### **Communications Plan**

There is no communications plan associated with this report.

##### **Purpose**

The purpose of the report is to request permission to proceed with the single source procurement of a chipper truck with 70' boom from Allan Fyfe Equipment Ltd. from Capital Project FL-5287-13.

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This is a cost competitive option for expanding the Parks and Forestry Department capacity to respond to emergency and maintenance situations relating to maturing trees that require a bucket reach for safe operations beyond the capacity of existing equipment (Current bucket truck has a 40' reach).

#### **Background - Analysis and Options**

In consultation with Purchasing Services, it was agreed that the City of Vaughan would rent a new unit from Allan Fyfe Equipment Ltd, at a monthly rate of \$5,200.00 on a six month trial basis as there was an urgent need for the ice storm response efforts. Rental costs for the initial four months were funded through the Ontario Disaster Relief Assistance Program (ODRAP). It was also agreed through the vendor that 85% of the rental rate would be applied to the acquisition price, if the City ultimately decided to purchase the unit outright. Should the City elect not to proceed with the buyout, six months rental will need to be funded through the department's operating budget at a cost of \$31,200.00.

Total Capital and Operating Budget Impacts of the two options are as follows:

	<b>Option 1 (rent to own)</b>	<b>Option 2 (rental &amp; re-tender)</b>
<b>Capital Budget Impact</b>	\$181,657.00	\$204,864.00 (based on 2014 rates)
<b>Operating Budget Impact</b>	\$0	\$31,200.00
<b>TOTAL</b>	\$181,657.00 (Capital)	\$236,064.00 (Capital & Operating)

Single sourcing is recommended for the following reasons:

- The unit has been fully evaluated by the City's Forestry Department for nine months and deemed to meet operational requirements.
- The unit has been independently evaluated at \$198,000.00 (Jan 9, 2015).
- That 85% of the rental rates charged to the City can be applied to the acquisition cost.
- The original quote for the unit, \$204,864.00 is being honored by the vender with \$23,207.10 of rental amount being applied to the Capital acquisition cost.

**The single source acquisition is \$181,657.00, and the unit is currently valued at \$198,000.00.**

Funding for the total estimated cost of the project is available in Capital Project FL-5287-13 and is allocated as follows:

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<b>FL-5287-13 - FORESTRY CHIPPER TRUCK WITH 70' BOOM T13-254: SINGLE SOURCE REQUEST 2014</b>	
<b>Financial Summary - Allan Fyfe Equipment Ltd.</b>	
<b>Capital Project</b>	<b>Fleet FL-5287-13</b>
Capital Budget (Prior Years)	206,000.00
2014 Capital Budget	-
<b>Total Capital Budget</b>	<b>206,000.00</b>
Less: Expenses/ Commitments to Date : November 30, 2014	252.00
<b>Current Funds Remaining</b>	<b>205,748.00</b>
Costs:	
Unit Cost (excluding HST)	181,657.00
Contingency Allowance (0%)	-
Sub-Total	181,657.00
Non Refundable Portion of HST (1.76%)	3,197.00
Sub-Total	184,854.00
Administration Recovery (3%) *	5,546.00
Total Costs	<b>190,400.00</b>
<b>Balance Remaining</b>	<b>15,349.00</b>

If not approved, the rental unit will be returned and Fleet will proceed with a new tender for the bucket truck as per the 2013 approved capital. It is anticipated that additional funding will be required to offset the 2015 market value of the unit. An additional \$31,200.00 will also need to be funded through the department's operating budget to cover the rental cost not associated with the ODRAP submission. These costs were not included in the 2014 operating budget.

The tender process is estimated to take approximately nine months as this is a specialized piece of equipment which will have to be custom fabricated. This will have an operational impact on the Forestry section which recently hired two new full time arborists to assist with tree pruning and removals city-wide. This option will result in further tree pruning and removal delays which the department is currently experiencing due to ice storm and EAB impacts.

### Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council, and ties into the following Vaughan Vision 2020 Goals and Objectives:

Goal: Service Excellence  
 Objective: Pursue Excellence in Service Delivery  
 Objective: Enhance and Ensure Community safety, Health & Wellness

Goal: Management Excellence  
 Objective: Maintain Assets and Infrastructure Integrity

### Regional Implications

There are no Regional implications.

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**Conclusion**

In accordance with Section 9.3 of Policy 05.2.06 Consolidated Purchasing Policy, staff recommends to proceed with the single source procurement of a chipper truck with 70' boom from Allan Fyfe Equipment Ltd. Funds are available through Capital Project FL-5287-13. The boom truck will enable Forestry staff to respond to large tree emergency and maintenance issues that are beyond the capacity of existing equipment.

**Attachment**

1. Golden Horseshoe Appraisals Inc. 2014 Freightliner M2/Versalift VO-270-E Aerial Unit Appraisal

**Report prepared by:**

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Scott Glew, Fleet Manager, Ext. 6141

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)