

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:

	Option 1 (rent to own)	Option 2 (rental & re-tender)
Capital Budget Impact	\$181,657.00	\$204,864.00 (based on 2014 rates)
Operating Budget Impact	\$0	\$31,200.00
TOTAL	\$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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FL-5287-13 - FORESTRY CHIPPER TRUCK WITH 70' BOOM T13-254: SINGLE SOURCE REQUEST 2014	
Financial Summary - Allan Fyfe Equipment Ltd.	
Capital Project	Fleet FL-5287-13
Capital Budget (Prior Years)	206,000.00
2014 Capital Budget	-
Total Capital Budget	206,000.00
Less: Expenses/ Commitments to Date : November 30, 2014	252.00
Current Funds Remaining	205,748.00
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	190,400.00
Balance Remaining	15,349.00

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:

Joerg Hettmann, Acting Manager Parks Services, Ext. 6139
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.)

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

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Attachment

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

Report prepared by:

Joerg Hettmann, Acting Manager Parks Services, Ext. 6139
Scott Glew, Fleet Manager, Ext. 6141

Respectfully submitted,

Paul Jankowski
Commissioner of Public Works

Zoran Postic
Director of Transportation Services,
Parks and Forestry Operations

GHA

Golden Horseshoe Appraisals Inc.

188 Parkdale Avenue North ~ Hamilton, ON, L8H 5X2

Toronto Phone: 905-564-1949 ~ Fax: 905-564-2513 - Hamilton Phone: 905-543-1313 ~ Fax: 905-543-9333

INVOICE FOR SERVICES RENDERED

INSURED	City of Vaughan
LOSS DATE	
OUR FILE	A19645
COMPANY	City of Vaughan
ADDRESS	2800 Rutherford Road, Vaughan, ON, L4K 2N9
ADJUSTER	Scott Glew
YOUR REFERENCE	PO# 220672

DESCRIPTION OF FEE

Date of Invoice: January 09, 2015

HOURLY APPRAISAL CHARGE	
<u>7.30</u> HOURS AT \$ <u>90.00</u>	\$657.00
PHOTOGRAPHS <u>0.00</u> AT \$2.00	\$0.00
OFFICE EXPENSES	\$0.00
ACV REPORT AND RELATED RESEARCH	\$0.00
MILEAGE AT \$0.30 PER Km <u>0.00</u>	\$0.00
	<hr/>
	<u>\$657.00</u>

Terms: Net 30 days.

Please make cheque payable to Golden Horseshoe Appraisals.

A late payment charge may be applied.



Golden Horseshoe Appraisals Inc.

188 Parkdale Ave. N.

Hamilton, ON

L8H 5X2

PH: 905-543-1313 FAX: 905-543-9333

January 5, 2015

City Of Vaughan
2800 Rutherford Road
Vaughan, ON
L4K 2N9

RE: 2014 Freightliner M2 / Versalift VO-270-E Aerial Unit
V.I.N.: 1FVACYDT0EHFX1521
File #: A19645

Dear Sir,

Thank you for selecting our firm to complete an evaluation for the above noted unit. The following is our reply to your request to complete an evaluation of the above noted unit.

The vehicle was recently inspected at your facility in Vaughan, Ontario. At the time of our inspection, we found the vehicle to be in overall very good condition being a 2014 model year unit. The unit in question is a 2014 Freightliner M2 Cab & Chassis equipped with a Versalift Vo-270-E Aerial Unit and a dump box designed and built for the purpose of tree care. The odometer reading at the time of inspection was only 5,237 kilometers which would be considered low for the year.

The cab and chassis is a 2014 Freightliner M2. The truck is equipped with a Cummins ISB, 6.7L engine, Allison Automatic Transmission with 16,000lb front and 23,000lb rear axles. The axles are considered to be heavy spec'd when compared to typical axles found on this class of truck (14,000 and 20,000lb respectively). The truck has been built specifically for the purpose of tree care with a Versalift VO-270-E 70 foot aerial unit and a dump box for chipped wood. The truck is further equipped with mid-ship outriggers and rear mounted tool/storage boxes. There is no pre-existing damage to the unit and we understand that the truck is in excellent operating condition.

/..2

RE: 2014 Freightliner M2 / Versalift VO-270-E Aerial Unit
V.I.N.: 1FVACYDT0EHFX1521
File #: A19645

We contacted the dealer for the purpose of obtaining a replacement value. The dealer advised that a brand new comparable unit would retail for \$212,000.00 to \$220,000.00 pending some variables at the time the order was placed. We have sourced a similar new unit in the US (different manufacturer) that is priced at \$198,000 US funds and is not equipped with a dump box as is the unit in question. Based on this, it would appear that the dealer quote for a new unit is reasonable.

We completed a search across Canada in an effort to find similar units for sale for the purpose of price comparison. Unfortunately, due to the type of unit that we are dealing with in conjunction with the fact that it is a 2014 model, there were no local comparables available.

Taking the above into account and considering the age of the unit as well as the low mileage, we would recommend depreciating the replacement value by ten percent in order to establish the current value of the unit in question.

Having stated the above, we would recommend an actual cash value in the amount of \$195,000.00 Canadian funds, as equipped. Based on the limited supply of this type of unit and the lead time to purchase new, the actual sale price for this type of equipment can exceed this amount if the situation is right.

The above has been completed on a without prejudice basis, based strictly on information provided to our office as well as our own visual observation.

We trust that the above meets with your requirements, however, should you require any further assistance, please do not hesitate to contact our office.

Yours truly,

Dave Vrbetic,
Vice President,
Golden Horseshoe Appraisals Inc.

DOCUMENTATION

VIN Decode – Cab & Chassis:

Manufacturer	Daimler Trucks North America LLC
Make	Freightliner
Model Year	2014
Model	Business Class M2
Engine Manufacturer	Cummins
Engine Series	ISB
Engine Capacity	L6, 6.7L - ISB6.7
Fuel Type	Diesel
Vehicle Type	Incomplete Vehicle
Cab Type	Conventional
Chassis	Truck Chassis
Drive Line Type	4 x 2
Brake System	Air
Series	M2 106 Medium Duty
GVWR Class	Class 8
Country	United States
Assy. Plant	Mt. Holly, NC

Versalift VO-270-E

Tech Specs (As per dealer – not verified):

- Max Horizontal Reach Non Overcenter: 46' 5" (14.1 m)
- Stowed Height: 12' 9" (3.8 m)
- Max Working Height: 75' 10" (23.1 m)
- Max Horizontal Overcenter: 50' 8" (15.4 m)
- Max Platform Capacity: 350 lbs (159 kg)
- Lower Boom 125° Articulation from horizontal to 35° past vertical
- 1500 lbs (680 kg) Lower Boom Lift Eye Capacity
- Upper Boom 245° Articulation Relative to Lower Boom

Comparable:

2015 ALTEC LR760E70 REAR MOUNT

Altec New Equipment Sales

1 (800) 958-2555

\$198,000*



- **Working Height:** 75.3 ft
- **Platform Capacity:** 400 lb
- **Chassis:** 2015 Freightliner M2-106
- **Location:** Creedmoor, NC
- **Stock #:** 2732156647

This Altec LR760-E70 is one of only two LR7 series elevator units currently in stock. This model is a tree care industry favorite. The elevator section of this bucket truck provides an extra 10 ft of working height for those times when you need just a little extra. This work truck also includes some additional features like a front winch, cab guard and a 40 in thru box set of compartments mounted behind the cab. Call 1 (800) 958-2555 for more details.

Chassis Year:2015**Chassis Manufacturer:**Freightliner**Chassis Model:**M2-106**Fuel Type:**Diesel**Transmission Type:**Manual**Brake Type:**Air**GVWR:**33,000 lb**Drive Train:**4x4**Body Type:**T-Box with Flatbed**Under CDL:**No



*** New Unit – No Dump Box....US Funds ***