

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 22, 2016

Item 7, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on March 22, 2016.

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**BUDGET AMENDMENT
FR-3579-15 – SMEAL PUMPER (7973) REFURBISHMENT**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Fire Chief, dated February 29, 2016:

Recommendation

The Fire Chief, in consultation with the Acting Deputy City Manager, Community Services and the Director of Financial Planning & Development Finance / Deputy City Treasurer recommends:

1. That the budget for capital project FR-3579-15 Refurbishment of Smeal Pumper 7973 be increased by \$30,167 plus \$5,680 contingency for a total of \$35,846;
2. That funding for the capital budget increase be funded from capital projects FR-3600-13 (\$22,622) & FR-3560-12 (\$13,224); and
3. Capital projects FR-3600-13 and FR-3560-12 be closed following the budget transfer and finalization of payment.

Contribution to Sustainability

Not applicable.

Economic Impact

As per standard maintenance practices, Pumper 7973 requires scheduled mid-life refurbishments in order to remain in service. Anticipated costs for project FR-3579-15 were amended during the FAA June 15, 2015 meeting to \$190,430 from the original budget amount of \$180,250. As a result of continued weakness in the Canadian Dollar, an additional budget amendment in the amount of \$35,846 is required to accommodate the rising foreign exchange rate. This would result in a revised capital budget of \$226,276. Funding for the budget amendment is available in approved capital projects FR-3600-13 (\$22,622) & FR-3560-12 (\$13,224). In order to ensure that adequate budget is available to process payment, this transfer includes a contingency of \$5,680. Any funds not required will be returned to the original funding source (Fire Equipment Reserve) and the projects will be closed.

Communications Plan

Not applicable.

Purpose

To obtain Council approval for a budget amendment of \$35,846 to capital project FR-3579-15.

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

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

Approved Capital Budget (CAD)		
FR-3579-15		\$190,430
Quote - Smeal Fire Apparatus Co. (USD)		
Standard mid-life refurbishment		\$142,939
	Total (USD)	\$142,939
US Exchange Rate*	@ 1.4223	\$60,363
Smeal Fire Apparatus Co. (CAD)		\$203,302
Freight & Brokerage		\$7,165
Contingency		\$5,419
Non-refundable portion of HST (1.76%)		\$3,800
Administration Recovery (3%)		\$6,591
Total Costs		\$226,276
Shortfall (CAD)		\$35,846
Budget Amendment:		
FR-3600-13 - Cascade Air Tank Refiller Stn 73		(\$22,622)
FR-3560-12 - Station # 71 Cascade - Air Tank Refiller		(\$13,224)

*January Average Noon USD to CAD exchange rate; Bank of Canada

As illustrated in the table above, funding for the refurbishment of Smeal Pumper 7973 can be funded from FR_3579-15 and the budget amendment. There is a funding shortfall of \$35,846 associated with foreign exchange risk. The shortfall can be funded from the following capital projects: FR-3600-13 (\$22,622) & FR-3560-12 (\$13,224).

The invoice from Smeal Fire Apparatus Co. are in US dollars; an exchange rate of 1.4223, based on the Bank of Canada's January average noon rate, which has been applied to calculate the equivalent cost in Canadian dollars. 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 after this.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

This report supports the Term of Council Priority of continue to ensure the safety and well-being of citizens.

Regional Implications

This report has no regional implications

Conclusion

It is requested that FR-3579-15 - for mid-life refurbishment of Smeal Pumper 7973 be amended to cover the additional costs of \$35,846 caused by the unfavourable foreign exchange rate.

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Attachment:

N/A

Report prepared by:

Larry Bentley, Fire Chief, Ext 6301

Michael Ing, Senior Financial Analyst, Ext. 8465

BUDGET AMENDMENT**FR-3579-15 – SMEAL PUMPER (7973) REFURBISHMENT****Recommendation**

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Contribution to Sustainability

Not applicable.

Economic Impact

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Purpose

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N/A

Report prepared by:

Larry Bentley, Fire Chief, Ext 6301

Michael Ing, Senior Financial Analyst, Ext. 8465

Respectfully submitted,

L. Bentley, Fire Chief