



THE CORPORATION OF THE TOWN OF AMHERSTBURG
OFFICE OF ENGINEERING & INFRASTRUCTURE SERVICES

MISSION STATEMENT: Committed to delivering cost-effective and efficient services for the residents of the Town of Amherstburg with a view to improve and enhance their quality of life.

Author's Name: Eric Chamberlain	Report Date: October 3, 2023
Author's Phone: 519 736-3664 ext. 2312	Date to Council: October 23, 2023
Author's E-mail: echamberlain@amherstburg.ca	Resolution #:

To: Mayor and Members of Town Council

Subject: Water Dump Truck Increase Cost

1. **RECOMMENDATION:**

It is recommended that:

1. An over-expenditure for the purchase of a dump truck from Carrier Truck Centers for the Water Department not to exceed \$5,677.31 **BE APPROVED** for a total cost not to exceed \$205,678 including net HST and that the additional amount of \$7,312 **BE FUNDED** from the Water Reserve.

2. **BACKGROUND:**

On August 15, 2022, Council awarded the purchase of the new dump truck for the Water Department to Carrier Truck Centers.

On September 20, 2023, Administration received a letter from Carrier Centers advising that cost of the purchase had increased from \$194,935 to \$202,120 resulting in an increase of \$7,185.

3. **DISCUSSION:**

This purchase replaces Unit WM-08 – 2007 single axle dump truck currently utilized for water/ wastewater operations. The increase cost is caused by key component shortages as well as the increased costs of raw materials, components, labour, fuel and freight. If the Town does not continue with this purchase, the purchase would have to be retendered and the order process would have to be restarted which would increase the time to receive

the new truck. In addition, the retendering does not prevent the potential for increased cost due to delays in manufacturing.

4. RISK ANALYSIS:

Should Council decide to forego this budgeted purchase to a later time, there is a sure risk of a cost increase and further delivery delay.

5. FINANCIAL MATTERS:

There was \$200,000 in the Council Approved 2022 Capital Budget earmarked for this purchase. The original approved amount awarded by Council, including non-refundable HST, was \$198,365.86 which was within budget. The increase of \$7,311.46 net HST will result in the final cost of \$205,677.31 and results of an over-budget amount of \$5,677.31.

6. CONSULTATIONS:

There were no consultations.

7. CONCLUSION:

The purchase of the new dump truck for the Water Department requires additional funding of \$7,311.46 exclusive of net HST to proceed to manufacturing.



Eric Chamberlain
Manager, Roads and Fleet

Report Approval Details

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This report and all of its attachments were approved and signed as outlined below:



Antonietta Giofu



Tracy Prince



Valerie Critchley



Kevin Fox