



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.

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Author's Phone: 519 736-3664 ext. 2312	Date to Council: October 23, 2023
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To: Mayor and Members of Town Council

Subject: Roads 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 Roads Department not to exceed \$71,833.92 **BE APPROVED** for a total cost not to exceed \$296,833.92 including net HST and that the additional amount of \$7,437.64 **BE FUNDED** from the Fleet Reserve.

2. **BACKGROUND:**

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

On September 20, 2023, Administration received a letter from Carrier Centers advising that cost of the purchase has increased from \$284,391 to \$291,700 resulting in an increase of \$7,309.

3. **DISCUSSION:**

This purchase provides a new dump truck with a winter package to assist with winter operations due to the increase development in Amherstburg particularly in the Kingsbridge Subdivision. The increase cost is caused by key component shortage as well as increased costs of raw materials, components, labour, fuel and freight. If the Town does not continue with this purchase, then 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 dump. 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 delays.

5. **FINANCIAL MATTERS:**

Originally, there was \$225,000 in the Council Approved 2022 Capital Budget earmarked for this purchase, fully funded by Development Charges (DC). The total cost, including non-refundable HST, that was awarded by Council was \$289,396.28 which was an over-expenditure of \$64,396.28. The original over-expenditure was funded through Development Charges (DC).

The recent increase of \$7,437.64 net HST will result in the final cost of \$296,833.92 and results in a total over-budget amount of \$71,833.92.

6. **CONSULTATIONS:**

There were no consultations.

7. **CONCLUSION:**

The purchase of the new dump truck for the Roads Department requires additional funding of \$7,437.64 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:



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