



THE CORPORATION OF THE TOWN OF AMHERSTBURG

OFFICE OF 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: November 29, 2022
Author's Phone: 519 736-3664 ext. 2312	Date to Council: December 12, 2022
Author's E-mail: echamberlain@amherstburg.ca	Resolution #:

To: Mayor and Members of Town Council

Subject: 2022 Fleet Vehicle Purchase

1. RECOMMENDATION:

It is recommended that:

1. An over-expenditure for the purchase of a full-size extended cab pick up truck not to exceed \$21,217 **BE APPROVED** for a total cost not to exceed \$66,217 including net HST and that the over-expenditure **BE FUNDED** from the Fleet Reserve.
2. An over-expenditure for the purchase of a full-size extended cab pick up truck not to exceed \$16,217 **BE APPROVED** for a total cost not to exceed \$66,217 including net HST and that the over-expenditure **BE FUNDED** from the Fleet Reserve.
3. An over-expenditure for the purchase of a full-size extended cab pick up truck not to exceed \$16,217 **BE APPROVED** for a total cost not to exceed \$66,217 including net HST and that the over-expenditure **BE FUNDED** from the Fleet Reserve.
4. An over-expenditure for the purchase of a $\frac{3}{4}$ ton crew cab pick up truck not to exceed \$18,143 **BE APPROVED** for a total cost not to exceed \$67,643 including net HST and that the over-expenditure **BE FUNDED** from the Fleet Reserve.

2. BACKGROUND:

On August 24, 2022, Administration requested quotations from local vendors based on the Ontario Public Buyers Association for the purchase of fleet vehicles identified in the 2021 and 2022 Budget. The vehicles being replaced and the recommended replacements are as follows:

Budget Centre	Unit Number	Age of Vehicle	Current Vehicle Description	Replacement Vehicle Recommended
Roads	M-2	2007	Dodge Ram 1500 Crew Cab	Full-Size Pick Up Truck Crew Cab
Facilities	FM-4	2006	GMC Sierra ½ ton Crew Cab	Full-Size Pick Up Truck Crew Cab
Facilities	FM-5	2010	Dodge Ram 1500 Crew Cab	Full-Size Pick Up Truck Crew Cab
Environmental Services	WM-03	2007	Full-Size Chevrolet Express	Full-Size – Sprinter Van
Environmental Services	WM-06	2015	Dodge Ram	Full-Size Pick Up Truck Crew Cab
Environmental Services	WM-07	2007	Ford Ranger	Small Sprinter Van
Environmental Services	WM-10	New		

3. DISCUSSION:

The Town issued eight 8 separate Request for Quotes on fleet vehicle replacements following the process of using the Ontario Public Buyer Discount for fleet vehicles. Also, using the specifications for highest and best use of town fleet developed by the Manager of Roads and Fleet. Of the eight (8) fleet vehicle replacements, six (6) quotes were over budget. The following were the results from the quotes:

M-2 – Road Division – ½ ton Crew Cab Pick Up Truck

VENDORS	TOTAL PRICE (INCL. NET HST)
Joe Meloche Ford Sales Ltd	\$65,717
Lunar Contracting	\$78,864

FM-4 – Facilities Division – ½ Ton Crew Cab Pick Up Truck

VENDORS	TOTAL PRICE (INCL. NET HST)
Joe Meloche Ford Sales Ltd	\$65,717
Lunar Contracting	\$78,864

WM-03 – Water Division – Full-Size Sprinter Van – Retender 2023

VENDORS	TOTAL PRICE (INCL. NET HST)
Joe Meloche Ford Sales Ltd	\$55,165
Lunar Contracting	\$89,040

WM-06 – Water Division – ½ Ton Crew Cab Pick Up Truck

VENDORS	TOTAL PRICE (INCL. NET HST)
Joe Meloche Ford Sales Ltd	\$65,717
Lunar Contracting	\$78,864

WM-07 – Water Division – Small Sprinter Van – Retender 2023

VENDORS	TOTAL PRICE (INCL. NET HST)
Joe Meloche Ford Sales Ltd	\$52,774
Lunar Contracting	\$99,216

NEW Vehicle – Water Division – ¾ Ton Crew Cab Pick Up Truck

VENDORS	TOTAL PRICE (INCL. NET HST)
Amherstburg GMC, Buick, Chevrolet	\$67,643

Notes:

1. Administration had tendered these vehicles in April of this year. The purchase of these vehicles was put on hold by the former CAO. The delay in tendering has seen an increase of \$15,000 in the vehicle pricing and/or reduction in the grants through the Ontario Public Buyer Discount.
2. On October 17, 2022, Joe Meloche Ford Sales Ltd. advised that they had exceeded the 2023 orders and would not be able to order the following 2024's until next year:
 - **2023 Transits – WM-07**
 - **2023 Transit Connects – WM-03**

Therefore, WM-03 and WM-07 will need to be retendered in 2023. Administration did not contact the second bid based on the quotes.

3. Dealership have advised that they are not able to hold the quoted prices and the price may be adjusted at the time the tenders are signed. In addition, the current

tenders are beyond the 90 days as provided in the Information to Tender documentation.

4. RISK ANALYSIS:

The purchase of replacement vehicles recommended in the report will help the Town to mitigate the risk by improving reliability of equipment and consistency of service level.

The computer chip shortage could lend to problems in the procurement of vehicles and other equipment in the foreseeable future and, as a result, the acquisition of replacement vehicles may be delayed resulting in potential increased operational costs. Administration will advise Council of the issues regarding fleet replacement as they evolve during quarterly variance reports.

5. FINANCIAL MATTERS:

Council approved the replacement of the four vehicles in the 2022 Budget.

The financial impact of the recommended purchases would be as follows:

Item	2022 Budget	2022 Actual (Incl. Net HST)	Vehicle fit up cost	Variance (over)/under
Capital Expense:				
New 2022 ½ ton Crew Cab Pick-up Truck (Roads)	\$45,000	\$65,717	\$500	(\$21,217)
New 2022 ½ ton Crew Cab Pick-up Truck (Facilities)	\$50,000	\$65,717	\$500	(\$16,217)
New 2022 ½ ton Crew Cab Pick-up Truck (Environmental)	\$50,000	\$65,717	\$500	(\$16,217)
New 2022 ¾ ton Crew Cab Pick-up Truck (Environmental)	\$50,000	\$67,643	\$500	(\$18,143)
Total Capital Expense:	\$195,000	\$264,794	\$2,000	(\$71,794)
Capital Funding:				
Transfer from Fleet Reserve Fund – General (Capital Replacement)	\$195,000	\$264,794	\$2,000	(\$71,794)
Total Capital Funding:	\$195,000	\$264,794	\$2,000	(\$71,794)

The Ontario Public Buyers Discount has been reduced and in some cases to nil. In past years, this used to result in a discount of upwards of \$10,000 per vehicle. The shortage of the computer chips, inflation in oil and steel prices have increased the cost of vehicles.

The Town will sell the existing pick up trucks on Gov. Deals after the Town obtains the new replacement vehicles from the dealerships. Gov. Deals is an online government auction site. The monies raised by the auction will be transferred to the Fleet Reserve Fund. This will help cover the cost of future replacements and help replenish the reserves for over expenditures experienced in this report.

6. **CONSULTATIONS:**

N/A

7. **CONCLUSION:**

The continued shortage of computer chips and inflation has made budgeting and acquiring fleet very difficult. The Town needs to be fluid when it comes to the changing environment as it relates to the fleet purchases.



Eric Chamberlain
Manager of Roads and Fleet

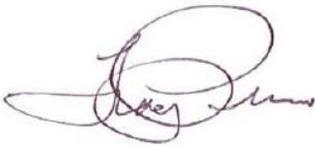
Report Approval Details

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Attachments:	
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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