

REPORT TO COUNTY COUNCIL

Mower Tractor Early Procurement Advancement

To: Warden and Members of County Council

From: Director of Public Works

RECOMMENDATIONS

1. That Council authorize staff to purchase a Mower Tractor in 2024, and advance funding in account 220425 of \$200,000 from 2025 to 2024, to assist with this purchase;
2. And further, that County Council authorize the transfer of \$20,000 from the Fleet Reserve to fund the budget shortfall to award the contract for the procurement of one Mower Tractor.

REPORT HIGHLIGHTS

- The procurement of this new Mower Tractor will replace an existing unit that is coming to the end of its useful service life and will be utilized at the Oxford County Transportation facilities with an anticipated 15-year service life.
- The above-noted tractor was originally approved in the 2024 Business Plan and Budget for early procurement for the 2025 budget based on anticipated 2025 delivery.
- Through the current procurement process, it was identified that the fleet unit could be received in 2024 and that delaying delivery until 2025 as originally anticipated will result in a further model year price increase of 4.5% (~ \$9,800).

IMPLEMENTATION POINTS

Upon approval of the recommendations contained in this report, staff will finalize the procurement of the Mower Tractor with the successful vendor.

Financial Impact

The approved 2024 budget included the early procurement of a Mower Tractor for 2025 delivery at an estimated cost of \$200,000. Utilizing the Canoe purchasing group, in accordance with the County's purchasing policy, the low bidder for the tractor and mower components are listed as follows:

Table 1: Expenditure Summary – 2025 Mower Tractor (1)

Description	Amount
220425 – R-S – Tractor – John Deere 5105M, Wildkat AR-12 Mid-Mount Side Shift Mower	\$213,909
Total Award (excl. HST)	\$213,909
Non-Refundable HST (1.76%)	3,765
Projected outfitting Costs (Branding, GPS, fuel, 2 way radio)	750
TOTAL COST	\$218,424
2025 Budget	200,000
BUDGET SHORTFALL	\$18,424

The net total cost of \$218,424 (including non-refundable HST) exceeds the budget estimate by \$18,424, which is proposed to be funded from the Fleet Reserve. In addition, staff request the 2025 early procurement budget to be transferred to the current year to facilitate ordering at the current price. The budgeted 2024 closing balance of the Fleet Reserve is \$4,302,950 and is sufficient to fund the additional requirements.

Once the fleet procurement process is completed and the vendor is awarded, staff will update the replacement costs in the *2022 Asset Management Plan*. Staff will also update the annual contributions to the Fleet Reserve based on the unit type in order to ensure that these reserves have sufficient funds to support the increased unit costs.




Communications

Upon approval of this report, staff will communicate with the selected vendor to coordinate equipment orders. No further communication is required as the procurement was conducted through the Canoe purchasing group.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the [2023-2026 Strategic Plan](#) on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council's vision of "Working together for a healthy, vibrant, and sustainable future." These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendations in this report supports the following Strategic Plan pillars and goals:

		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
Goal 1.2 – Sustainable infrastructure and development		Goal 3.1 – Continuous improvement and results-driven solutions

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

The 2024 approved budget included the early procurement of a Mower Tractor and associated equipment for 2025 delivery. This unit is intended to replace Unit 425 which is nearing the end of its target useful life (15 years). This is scheduled to be replaced in accordance with the 2022 *Asset Management Plan*. Replacement has been validated through the annual Vehicle Replacement Rating (VRR) review that takes into account the vehicle age, kilometres driven and maintenance costs. At the time of 2024 Budget preparation, the delivery timeline of the Mower Tractor was greater than 12 months.

In an effort to align with the [Green Fleet Plan](#), research was done to look for alternative fuel options available in the market. Staff have concluded that, at this time, there are no viable options that would meet the needs of this asset type.

Comments

The procurement of this Mower Tractor was completed through the Canoe purchasing group in order to get the best value for the County, both economically and functionally.

Through that process, it was determined that the lead times of this equipment are shorter than what was initially believed when the early procurement needs were identified during the development of the 2024 Business Plan and Budget.

Expected delivery timelines have been reduced to six months, meaning the unit would be delivered in 2024, requiring funding to be made available in order to complete the transaction.

The vendor has confirmed that if the delivery is delayed to align with the 2025 delivery date, a model-year cost change would impact the price of the unit by 4.5%. This would update the unit cost to \$228,220, or an increase of \$9,796.

CONCLUSIONS

Staff recommends that Council approve the purchase of the Mower Tractor in 2024 as the earlier purchase achieves the best value for the County. If the approved funding is not advanced, there will be further cost escalation associated with the unit being received in 2025.

SIGNATURES

Report author:

Original signed by

James Wagner
Fleet Technician

Departmental approval:

Original signed by

David Simpson, P.Eng., PMP
Director of Public Works

Approved for submission:

Original signed by

Benjamin R. Addley
Chief Administrative Officer