

REPORT TO COUNTY COUNCIL

Request for Project Approval - Fleet Asset 684 Re-Classification and Replacement

To: Warden and Members of County Council

From: Director of Public Works

RECOMMENDATIONS

1. That County Council approve the addition of a Crane Trailer purchase, to replace County fleet unit 684, as part of the 2025 Capital Budget;
2. And further, that County Council authorize the transfer of \$40,000 from the Fleet Reserve to complete the procurement of a Crane Trailer;
3. And further, that County Council authorize the transfer of up to \$15,000 from the Fleet Reserve to fund the subcontracting fees required to continue pump maintenance activities until receipt of the Crane Trailer.

REPORT HIGHLIGHTS

- The purpose of this report is to obtain County Council approval to include the replacement of unit 684, which failed its recent safety inspection, as part of the 2025 Capital Budget, including accompanying funding in accordance with the County purchasing policy.
- Staff have determined that the unit can be downsized to an up-fitted trailer which will meet the required operational needs at a much lower capital and operating cost.
- The procurement of the Crane Trailer will replace the existing Single Axle Heavy Truck that has reached the end of its useful life. The Crane Trailer will be utilized by the County's Water division and will have an anticipated service life of 20 years.
- The transition from the existing Single Axle Heavy Truck to a new Crane Trailer will require subcontracting services to complete required pump removal and repair tasks for approximately 3 months until the new unit is received.

IMPLEMENTATION POINTS

Upon approval of the recommendations contained in this report, staff will finalize the procurement of the Crane Trailer. The existing unit 684, which has reached end of life, will have all up-fitted components removed and stored for reuse, and the unit will be sent to public auction for sale.

The anticipated delivery timeline of the Crane Trailer is second quarter of 2025. Following the delivery, Fleet staff will perform mandatory up-fitting of the trailer that involves installing operational components, as well as adding GPS system and decals prior to being put into service.

Financial Impact

The fleet capital replacement cost for the existing unit 684 is currently anticipated at \$300,000 for the Single Axle Heavy Truck vehicle type and was planned for 2027. The actual capital contribution total for this asset as of end of 2024 is \$181,300. By downsizing to a Crane Trailer vehicle type, the anticipated costs to procure and get the unit into service, while using subcontracting services to continue pump maintenance activities until the new unit is received, are outlined below in Table 1.

Table 1: Funding Summary – Crane Trailer (1)

Description	Amount
684 – Water Treatment – Crane Trailer – Belore Trailer, Crane, Water Tank and Hotsy pressure washer installation.	\$40,000
Total Award (excl. HST)	40,000
Projected outfitting costs (GPS, decals)	750
Sub-Contract fees until new unit arrival	15,000
Sub-Total	55,750
Non-Refundable HST (1.76%)	982
TOTAL COST	\$56,732
Single Axle Heavy Truck Replacement Cost	300,000
Asset Replacement Savings	\$243,268

While the capital procurement cost of \$56,732 is a net increase to the 2025 budget, this also provides a savings over procuring a like for like heavy duty truck of \$243,268.

The budgeted 2025 closing balance of the Fleet reserve is approximately \$5.7 million and is sufficient to fund the costs as outlined in this report. Once the fleet procurement process is completed, staff will update the replacement cost in the Asset Management Plan.

This re-classification will result in operational savings in 2025 as outlined in Table 2. These savings will form part of the overall water system savings which are contributed to reserves at the end of each year.

Table 2: 2025 Savings Realized with Re-Classification

Vehicle Type	Cost
Single Axle Heavy Truck Savings	
Capital replacement contribution	\$47,500
Fuel	1,100
Repairs and Maintenance (\$5,000 budget less \$215 actuals)	4,785
Insurance (\$860 annual)	774
License Fee	1,167
Total 2025 Budget	\$55,326
Crane Trailer Costs	
Capital replacement contribution \$40,000 with anticipated service life of 20 years (\$2,000 annually)	\$1,200
License Fee (2025 only)	74
Repairs and Maintenance	500
Insurance (\$110 annually)	65
Total 2025 Forecast	1,839
Total 2025 Net Savings	\$53,487

Communications




Upon approval of this report staff will work in accordance with the County’s Purchasing Policy to procure the new asset. No further communications will be required.

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 goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
		<p>Goal 3.1 – Continuous improvement and results-driven solutions</p> <p>Goal 3.4 – Financial sustainability</p>

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

DISCUSSION

Background

The County's Water division currently operates unit 684 which is a 2006 Sterling STE, Single Axle Heavy Truck. The unit is up-fitted with a 300 gallon water tank as well as a 2,700lb crane, and is utilized for removing/replacing water pumps for cleaning and repair activities. In accordance with the Asset Management Plan, this unit was tentatively planned for replacement as part of the 2027 budget cycle for \$300,000, with a plan for early procurement approval being included in the 2026 budget as the unit would have a long lead time. With an expected service life of 9 years, the unit's low mileage and historically good condition gave no indication that replacement would be required in advance of 2027. As of the end of 2024, the age of the asset is 19 years old and had previously been used by the Roads division prior to being transferred to the water group.

Comments

During the annual vehicle safety inspection that was required to be completed by February 1, 2025, it was determined that the vehicle was not in suitable condition to pass the inspection. After completion of the third-party mechanical inspection, it was determined that structural frame failures, suspension issues and significant rust corrosion failures exist with the unit. During the annual asset review, staff believed that the unit was in reasonable condition, and these items only came to light during a more thorough inspection by a licensed mechanic. Based on the failed safety inspection, the unit was immediately taken out of service. Through consultation with the mechanic, it is anticipated that repair costs could range from \$15,000 to \$20,000 and would not be fully known until repair work commenced. Due to the age and condition of the unit, staff believe replacement is a better approach than expending significant cost for an asset so far beyond its useful life and already planned to be replaced within the next two years.

In reviewing how best to proceed, staff took a closer look at the operational needs for the existing truck. Through discussion with the user group, it was determined that this unit was mainly used for the crane outfitted to the rear of the truck's flat deck for removal and installations of pumps in the various water distribution systems. The unit is also used for washing activities, and to transport pumps and equipment between sites as needed for more extensive repairs. The Water group typically completes approximately three pump repair/replacement services per month. While the asset is out of service, subcontracted providers can undertake the required scope at a cost of approximately \$1,000 per service.

In further analyzing the unit's low annual utilization and accumulated mileage, staff are proposing to downgrade from the current vehicle type, Single Axle Heavy Truck, to a medium duty flat deck specialty upfitted Crane Trailer. It was determined through discussion with the user group that a specialty upfitted Crane Trailer would be a more valuable solution as it would be more maneuverable than the large truck, allow any Operator the ability to use equipment as needed without switching trucks as well as the decreased cost of the initial purchase and ongoing operational costs. The existing truck requires a driver with a DZ license, whereas the trailer solution would be sized with the maximum weight of trailer, including up-fitting equipment and anticipated pump loads to allow a standard G license to tow the trailer with any existing Water fleet vehicles, including the newer Battery Electric Vehicle (BEV) trucks. The trailer would make use of the existing crane and pressure washer system and be up-fitted with outriggers to provide adequate stability during lifting operations.

Changing of the vehicle type from a Single Axle Heavy Truck to a Crane Trailer will result in anticipated annual cost savings. By procuring a trailer asset rather than a heavy duty truck, this will also decrease the estimated time of subcontractor fees to Oxford County as Crane Trailer and up-fitting time is estimated at 3 months for delivery to the County; whereas, a heavy duty truck would likely exceed 12 months. In addition, the switch to the Crane Trailer will save the County's Fleet approximately 1.2tCO₂e in greenhouse gas (GHG) emissions per year.

CONCLUSIONS

Staff recommends that the replacement of fleet unit 684, with a Crane Trailer to replace the existing Single Axle Heavy Truck, be approved and included as part of the 2025 capital budget. The trailer solution reduces upfront procurement and ongoing maintenance costs while allowing any operator with a standard G license to use it, eliminating the need for a specialized DZ driver. This change enhances maneuverability, integrates with existing fleet vehicles and reduces annual greenhouse gas emissions by approximately 1.2tCO₂e.

SIGNATURES

Report author

Original signed by:

James Wagner
Coordinator of Fleet

Departmental approval:

Original signed by:

Melissa Abercrombie, P. Eng., PMP
Director of Public Works

Approved for submission:

Original signed by:

Benjamin R. Addley
Chief Administrative Officer