

**To: Warden and Members of County Council**

**From: Director of Public Works**

## **Additional Funding Request – Procurement of Truck Tractor**

### **RECOMMENDATION**

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- 1. That Oxford County Council authorize additional funding in the amount of \$49,000 for the procurement of one Truck Tractor, to be financed from the Fleet Reserve.**

### **REPORT HIGHLIGHTS**

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- The purpose of this report is to obtain Oxford County Council approval for additional funds to proceed with the planned procurement of one truck tractor for Waste Management leachate collection and disposal in accordance with the County's *Asset Management Plan* and the *2022 Business Plan and Budget*.
- Upon authorization, it is estimated that delivery of the waste management truck tractor to Oxford County will be approximately 56 weeks.

### **Implementation Points**

Upon approval of the recommendation contained in this report, staff will finalize procurement of one truck tractor.

### **Financial Impact**

As part of the *2022 Business Plan and Budget*, \$150,000 was allocated for the purchase of one truck tractor (day cab) to support Waste Management leachate collection and disposal operations. Due to steel pricing, parts availability and electronic microchip shortages, market instability has had a significant impact on the automotive industry.

Tender amounts and funding sources for this contract are summarized in Table 1 below.

Table 1: Funding Summary for Truck Tractor

| 2022 Budget Summary Account / Description  | Bid Amount (excluding HST) |
|--|----------------------------|
| <b>220744 – W-M-DAY CAB</b><br>Fleet Contract (Carrier Truck Center)<br>New day cab truck. | \$194,572                  |
| <b>Non-Refundable HST (1.76%)</b>  | <b>3,425</b>               |
| <b>Total estimated miscellaneous</b>   | <b>1,000</b>               |
| <b>TOTAL ESTIMATED EXPENDITURES</b>  | <b>\$199,000</b>           |
| <b>Available 2022 Budget</b>   | <b>150,000</b>             |
| <b>BUDGET SHORTFALL</b>  | <b>\$49,000</b>            |







Once received, staff estimate approximately \$1,000 in miscellaneous outfitting for items such as GPS and fuel management installation, as well as identification decals. In total, staff have determined a shortfall of approximately \$49,000. The budgeted 2022 closing balance of the Fleet Reserve is \$3,044,027. Through [PW 2022-21](#), an additional \$104,200 was committed from this reserve to fund the shortfall in the Hybrid Light Duty Truck procurement.

As part of the 2023 Business Plan and Budget process, staff will update the fleet replacement costs in the Long Term Capital Plan as well as update the annual contributions to the Fleet Reserve, based on the unit type, in order to ensure that the reserve has sufficient funds to support the increased unit costs.

## Communications

The single tractor truck (day cab) was publicly tendered on June 8, 2022 and closed on June 29, 2022. Once awarded, the tender results will be publicly displayed on the *Bids&Tenders* online portal through the County website.

## Strategic Plan (2020-2022)

|   |   |   |   |   |   |
|---|---|---|---|---|---|
|  |  |  |  |  |  |
| <b>WORKS WELL TOGETHER</b>  | <b>WELL CONNECTED</b>   | <b>SHAPES THE FUTURE</b>  | <b>INFORMS &amp; ENGAGES</b>  | <b>PERFORMS &amp; DELIVERS</b>  | <b>POSITIVE IMPACT</b>  |
|   |   | 3.iii.  |   |   |   |

## DISCUSSION

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### Background

The approved 2022 *Business Plan and Budget* included funding to procure one new truck tractor (leachate day cab) to replace Unit 744 in accordance with the County's *Asset Management Plan*. This asset is near the end of its useful service life and scheduled for replacement.

While this vehicle was not listed as part of the 2021-2025 *Green Fleet Plan*, staff attempted to progress the plan and included a provisional option for a CNG (Compressed Natural Gas) powered engine; however, there was no response to this part of the tender. Electric options were not considered as it would not align with the allocated budget, and additional charging development would be required to make this viable. Electric options should be more readily available the next time this unit is scheduled for replacement.

### Comments

As with a number of industries, heavy vehicle manufacturing continues to face unprecedented challenges related to supply and demand issues. Delivery timelines for ordered heavy trucks are increasing and backlogging due to manufacturing shortages of the materials required to build vehicles, and pricing of these materials is reaching significant highs due to increased steel prices and general inflation. Further, staff have had discussions with some truck manufacturers who have indicated they are no longer accepting new truck orders in 2022 for 2023 models therefore they do not have capacity to honour delivery obligations.

Upon tender close, there was one submission which was evaluated by County staff. After completing a review, it was noted that the submission met the required specifications but was over the approved budget.

Table 2: Tender Submission Highlights

| Bid Price (incl. non refundable HST) | Submissions          | Brand                        | Delivery Time |
|--------------------------------------|----------------------|------------------------------|---------------|
| \$197,997                            | Carrier Truck Center | 2024 International HX620 SBA | 56 weeks      |

The vehicle to be replaced has experienced significant problems recently including electronic control module replacement where a timely repair was impacted due to the availability of necessary parts. While the unit was not available during repairs, a rental unit had to be procured for four months costing \$20,434.20 + non-refundable HST. A short time after the truck was back in service, a coolant leak repair required additional towing and repair costs. For comparison purposes, staff estimated that utilizing a third party service contractor to complete the leachate hauling would have an average annual cost of \$300,000, which is significantly more than the cost to procure and operate the County-owned truck tractor (day cab).

Table 3 below provides a life cycle cost comparison between the proposed purchase, rental, or third party contracted truck tractor.

Table 3: Life Cycle Cost Comparison

| <b>Option</b>                       | <b>One Time Procurement Cost</b> | <b>Annual Rental/ Contractor Cost</b> | <b>Annual Operating Costs<br/>(i.e. fuel/ R&amp;M/ insurance)</b> | <b>Total Life Cycle Cost<br/>(10 year asset life)</b> |
|-------------------------------------|----------------------------------|---------------------------------------|---|---|
| <b>Purchase</b>                     | \$199,000                        | \$0                                   | \$30,000  | \$499,000   |
| <b>Rent</b>                         | \$0                              | \$81,600                              | \$15,000  | \$966,000   |
| <b>Third Party Service Provider</b> | \$0                              | \$300,000                             | \$0   | \$3,000,000   |

This unit is a critical asset as it is required to haul leachate, which is considered a liquid hazardous waste, on a regular basis from the Waste Management Facility to a County-operated wastewater treatment facility for processing. If not hauled on a continuous basis, the leachate will build up in the County's landfill leachate collection system. Undue pressure on the leachate collection system will cause the leachate to escape into the natural environment where it must be treated as an environmental spill, resulting in a regulatory non-compliance offense for the County. Leachate from the Oxford County Waste Management Facility landfill is hauled by this truck tractor (day cab) unit to the Ingersoll or Woodstock Wastewater Treatment Plant for processing.

Despite the current market challenges, it is recommended that this unit be replaced as scheduled to avoid further regulatory compliance risks and additional repair costs.

## **Conclusions**

Staff recommend that \$49,000 be transferred from the Fleet Reserve to address the 2022 budget shortfall in procuring one replacement truck tractor (day cab) in order to align with the County's *Asset Management Plan*.

## **SIGNATURES**

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### **Report Author:**

Original signed by

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James Wagner  
Fleet Technician

### **Departmental Approval:**

Original signed by

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

### **Approved for submission:**

Original signed by

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Michael Duben, B.A., LL.B.  
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