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TENDER AWARD
PURCHASE OF SNOW-PLOW TRUCKS
CONTRACT T-04-03

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, December 17, 2003, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. The tender for Contract T-04-03 Part “A” for the supply of two 2005 Sterling 58000 GVW snow-plow diesel tandem trucks, complete with winter equipment, be awarded to Ontario Sterling, in the amount of \$400,781.90.
2. The tender for Contract T-04-03 Part “A2” for the supply of one 2005 Freightliner 41000 GVW snow-plow diesel single axle truck, complete with winter equipment, be awarded to Galloway Motors Limited in the amount of \$176,274.30.
3. The funding for this contract be approved from the Fleet Reserve prior to the approval of the 2004 Budget and Business Plan.
4. The Director of Supplies and Services be authorized to issue the purchase orders.

2. PURPOSE

The purpose of this report is to award the tender for the supply of two 2005 Sterling 58000 GVW snow-plow diesel tandem trucks, and one 2005 Freightliner 41000 GVW snow-plow diesel single axle truck. The three trucks are to replace existing trucks that have completed their in service life cycles. It is also to approve the funding for this contract prior to the approval of the 2004 Budget and Business Plan.

3. BACKGROUND

To maintain the Regional road system, the Transportation and Works Department operates a fleet of heavy-duty trucks. These units are used for routine road operations in the summer and then adapted with snow-plows and spreaders for winter maintenance.

The trucks in Tender T-04-03 are scheduled as replacements for a 1993 International and a 1992 White/GMC tandem trucks, and a 1990 International single axle truck, which have all completed their in service life cycles. Funding for the replacement units in the amount of \$640,000 is included in the proposed 2004 Business Plan and Budget.

The tender for the supply of three snow-plow trucks was prepared and advertised in local newspapers by the Supplies and Services Branch. Four suppliers picked up bid documents from Supplies and Services and three completed bids were submitted.

4. ANALYSIS AND OPTIONS

A summary of the tenders is provided in Table 1.

Table 1
Summary of Bid Amounts

Supplier	Amount (Taxes Included)
Part “A” Tandem Trucks	
Galloway Motors Limited	\$418,981.80
Woodbine Truck Centre	\$404,867.83
Ontario Sterling	\$400,781.90
Part “A2” Single Axle Truck	
Woodbine Truck Centre	\$188,993.44
Ontario Sterling	\$178,945.75
Galloway Motors Limited	\$176,274.30

The tenders of the three bidders were reviewed for compliance.

The successful low bid for a Sterling tandem truck in Part “A” is an acceptable snow-plow/dump truck. Although, the Sterling tandem truck model is new to the Regional fleet, the model as supplied by Ontario Sterling meets the required specifications. The Sterling line of trucks are similar to existing Freightliner trucks that the Region currently has in the fleet, and is received in the industry as a viable snow-plow/dump truck.

The low bid in Part “A2” for the 2005 Freightliner single axle truck from Galloway Motors Limited met all the required specifications and is acceptable to staff. The Region currently operates similar 2003 and 2004 Freightliner models in the Roads Transportation fleet.

The supply period for these specialized snow-plow trucks is listed at approximately 24 weeks, subject to assembly line schedules. Therefore, in order to receive these trucks prior to the next winter season, the contract should be awarded prior to the approval of the 2004 Budget and Business Plan.

5. FINANCIAL IMPLICATIONS

Funds are included in the proposed 2004 Transportation and Works Budget in the amount of \$640,000. Funding for these trucks is from the fleet reserve. There is no impact on the 2004 tax levy.

Table 2 shows the proposed 2004 budget figures and the tendered bids, as well as the funding source.

Table 2
Financial Implication of Tender Bid

	2004 Budget Proposed	Total Bid Results
Total Expenditures	\$640,000	\$577,056.20*
Recoveries - Fleet Reserve	\$640,000	\$556,984.68
* GST rebate not applied		

The trucks that are being replaced are normally deemed to be surplus to our needs and put up for auction. Any funds raised from the auction are directed to the Fleet Reserve.

6. LOCAL MUNICIPAL IMPACT

There is no local municipal impact as a result of this report.

7. CONCLUSION

It is recommended that the bids (Part "A") submitted by Ontario Sterling for the supply of two tandem snow-plow trucks in the amount of \$400,781.90, and (Part "A2") submitted by Galloway Motors Limited for the supply of one single axle snow-plow truck in the amount of \$176,274.30 be accepted. The total of the two bids for Part "A" and Part "A2" is \$577,056.20, which is reduced to \$556,984.68 after GST rebate. In addition, it is recommended that the funding for this contract be approved prior to the approval of the 2004 Budget and Business Plan. It is also recommended that the Director of Supplies and Services be authorized to issue the purchase orders.

The Senior Management Group has reviewed this report.