

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee

**From:** Kelly Scherr, P.Eng., MBA, FEC  
Deputy City Manager, Environment and Infrastructure  
Anna Lisa Barbon, CPA, CGA  
Deputy City Manager, Finance Supports

**Subject:** Emergency Purchase of a Mack-Wittke Top Loading Garbage Packer

**Date:** September 10, 2024

## Recommendation

That, on the recommendation of the Deputy City Manager, Environment & Infrastructure and the Deputy City Manager, Finance Supports, the following actions be taken with respect to the emergency, non-competitive purchase of a Top Loading garbage packer:

- a) The purchase order for the purchase of a 2024 Mack-Wittke Top Loader unit from Amtruck Limited, 1920 Yonge Street, Suite 200, Toronto, Ontario M4S 3E2 under Section 14.2 of the Procurement of Goods and Services Policy at a total price of \$417,900 (HST excluded), **BE CONFIRMED** noting that part of the purchasing agreement requires the renting of the unit for four months at a fee of \$43,200 (HST excluded); and
- b) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix 'A'.

## Executive Summary

In early August, an older model top loading garbage packer (2015 Mack-McNeilus) scheduled for replacement in 2025 became inoperable. The estimated price to repair the packer is well beyond the value that would be achieved for about another 12 months of use and resale. To bring the Sanitation fleet back up to the required seven packers required to maintain service levels, three options were considered:

1. Undertaking a competitive tender
2. Purchasing a used top loading packer through a formal procurement process
3. Purchasing a used top loading packer through the emergency procurement process

Based on a review of the marketplace and in conversation with Procurement and Supply, Option 3 became the best value for the City and the use the emergency procurement clause provided the shortest time period to obtain a used packer and ensure that service levels were maintained.

Sufficient funding for the purchase of the 2024 Mack-Wittke Top Loader unit is available through the Fleet - Vehicle and Equipment Replacement TCA project. Part of the purchasing arrangement includes renting the packer for four months (instead of six month) at a total fee \$43,200 (HST excluded). Twenty-five percent (25%) of this amount is applied to the final purchase price of the unit. The final purchase price was \$417,900 (HST excluded) as noted in the Sources of Financing (Appendix A). All funds needed for the rental portion and purchase are available in the approved Fleet capital budget and Waste Management operating budget.

## Linkage to the Corporate Strategic Plan

Municipal Council continues to recognize the importance of waste management and the need for a more sustainable and resilient city in the 2023-2027 Strategic Plan for the

City of London. Specifically, London's efforts in waste management address the following Areas of Focus; Climate Action and Sustainable Growth and Well-Run City.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

None

#### 1.2 Emergency Procurement

The Procurement of Goods and Services Policy outlines the processes that Civic Administration is required to follow to obtain the best value when purchasing goods or contracting services. In the event of an "Emergency", section 14.2 Procurement in Emergencies permits Civic Administration to purchase goods/services under "Emergency" conditions in a non-competitive manner. In this section, "Emergency" means:

"an event or occurrence that the City Manager or Deputy City Manager deems an immediate threat to:

- Public Health;
- The maintenance of essential City services; or
- The welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for goods or services to mitigate the emergency and time does not permit for a competitive procurement process."

When section 14.2 is used, Civic Administration is required to follow defined protocols, and the emergency procurement must be reported to Committee and Council.

### 2.0 Discussion and Considerations

The City of London collects garbage from multi-residential medium and high-rise buildings and numerous townhomes complexes using top loading garbage packers (i.e., packers that have forks on the front to lift garbage bins). These same top loading packers also provide service to numerous City facilities (e.g., community centres, Storybook Gardens, etc.), collect cardboard and remove bagged garbage from the EnviroDepots.

Each day there are 6 collection beats that require 6 packers. The Sanitation fleet had 7 top loading packers which provided capacity for scheduled and non-scheduled maintenance.

In early August, an older model top loading garbage packer (2015 Mack-McNeilus) scheduled for replacement in 2025 became inoperable. The estimated price to repair the packer is well beyond the value that would be achieved for about another 12 months of use and resale.

For short periods of time, it is possible to operate the 6 collection beats with 6 packers; however this cannot be sustained on a regular basis and will impact service levels, reducing customer service and incurring overtime costs. As per the above definition of emergency, maintaining service levels addresses both public health and the maintenance of essential City services.

To bring the fleet back up to 7 packers, three options were considered:

1. Undertaking a competitive tender for a new top loading packer and renting packer for 12 to 18 months while the procurement process occurs;
2. Purchasing a used top loading packer through a formal procurement process which would take between three and six weeks and renting a packer for six weeks while the procurement process occurs; and

3. Purchasing a used top loading packer through the emergency procurement process which generally would take between three and four weeks to have a used packer road-ready in London.

Discussions were held with several truck rental companies to determine availability of used top loading packers that were relatively consistent with the existing parts supply and maintenance practice. There is limited availability in the marketplace for newer model packers using diesel and virtually no availability of used packers using compressed natural gas as fuel.

Option 1 was ruled out as the rental cost for the 12 to 18 month period would range between \$140,000 and \$200,000. Option 2 was workable but deemed too risky from a service delivery perspective. Option 3 became the preferred option as a suitable newer model 2024 packer under a 'rent to own' program was identified that could be available in London within two to three weeks. Negotiations were undertaken.

In conversation with Procurement and Supply, Option 3 became the best value for the City and implementing the emergency procurement clause would provide the shortest time period to obtaining the used packer and maintaining existing levels of service.

### **3.0 Financial Impact/Considerations**

Sufficient funding for the purchase of the 2024 Mack-Wittke Top Loader unit (diesel fuel) is available through the Fleet capital project. The funds for this purchase have accumulated over the lifecycle of the damaged packer.

Part of the purchasing arrangement includes renting the packer for four months (instead of six month) at a total fee \$43,200 (HST excluded). Twenty-five percent (25%) of this amount is applied to the final purchase price of the unit. The rental amount will be managed by a transfer into the Fleet capital project from the approved Waste Management budget.

The final purchase price was \$417,900 (HST excluded) and \$43,200 (HST excluded) for a total of \$461,100 (HST excluded) as noted in the Sources of Financing (Appendix A).

## **Conclusion**

An emergency purchase of one top loading used packer was deemed to be the most prudent course of action to maintain service levels. When section 14.2 Procurement of Goods and Services Policy is used, Civic Administration is required to follow defined protocols, and the emergency procurement must be reported to Committee and Council.

**Prepared by:** Dave Fawcett  
Manager, Fleet Planning

**Prepared and Submitted by:** Jay Stanford, M.A., M.P.A.  
Director, Climate Change, Environment & Waste Management

**Recommended by:** Kelly Scherr, P. Eng., MBA, FEC  
Deputy City Manager, Environment and Infrastructure

**Recommended by:** Anna Lisa Barbon, CPA CGA  
Deputy City Manager, Finance Supports

**Appendix 'A'** Sources of Financing

**cc:** Lynda Stewart, Director, Fleet and Facilities  
Drew Freeman, Senior Manager, Fleet  
Steve Mollon, Senior Manager, Procurement and Supply