

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON SEPTEMBER 22,2020
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR – ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	SINGLE SOURCE - PURCHASING VARIOUS TRACKLESS MACHINE ATTACHMENTS

RECOMMENDATION

That, on the recommendation of the Managing Director - Environmental & Engineering Services & City Engineer,

- a) Approval **BE GIVEN** to negotiate a single source purchasing agreement with Work Equipment Inc., 55 Thunderbird Drive, Courtland, Ontario, N0J 1E0 as per the Procurement of Goods and Services Policy for the supply and delivery of Trackless attachments for a one (1) year term with an additional two (2) year option terms based on price and performance;
- b) Fleet Services **BE AUTHORIZED** to proceed with the replacement of up to 28 attachments during the 2020-2023 Multi-year Budget term as per their approved capital budget at an estimated value of \$210,095 (excluding HST);
- c) Funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix "A", conditional that satisfactory terms and conditions can be negotiated and approved;
- d) Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this purchase; and
- e) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval.

COUNCIL'S 2019-2023 STRATEGIC PLAN

This report and recommendation supports several strategic priorities including;

Leading in Public Service

Londoners experience exceptional and valued customer service:

- Increase responsiveness to our customers
- Increase efficiency and effectiveness of service delivery

Building a Sustainable City

Londoners can move around the City Safely and easily in a manner that meets their needs.

- Improve the quality of pedestrian environments to support healthy and active lifestyles

BACKGROUND

CONTEXT

Currently, the City of London owns and operates fourteen (14) Trackless brand articulating body power units that have various interchangeable attachments to provide City services. Attachments include flail and rotary mowers, snow plows, sanders, snow blowers, sweeper brooms and even milling machines. The Trackless units are a highly utilized, multi-purpose asset that are an integral component of the municipal equipment program.

These units are used by both Roads & Transportation and Parks & Recreation to provide services such as winter sidewalk snow clearing, snow blowing and sanding, grass cutting and sweeping sidewalks and maintaining multipurpose pathways. Examples of the Trackless power units and attachments are shown in Figure 1 below.

Figure 1 – Trackless Power Units with Attachment Examples



The majority of the existing Trackless power units were replaced in 2016 and 2017 and are not scheduled for replacement until 2027. The attachments however are managed as separate assets with their own lifecycle and are replaced as required based on condition and usage. Replacement costs are included in the annual rental rates and placed into the Vehicle and Equipment Reserve Fund (VERF) until the existing equipment reaches end of life.

After a recent analysis of the current attachments in conjunction with Fleet Maintenance and the operating areas, 28 of these attachments have been identified and scheduled for replacement between 2020 and 2023. Identified on Table 1 is the expected schedule for the replacements and their value.

Table 1 – Forecasted Replacement Schedule and Replacement Value Estimate

Contract Term	# of Units	Type of Attachment	Estimated Replacement Cost
2020 - 2021	15	8 V-Plows, 6 Sanders, and 1 Broom	\$102,700
2021 - 2022	12	6 Sanders, 3 Brooms, and 3 Blowers	\$95,000
2022 - 2023	1	Flail Mower	\$13,000

PURCHASING PROCESS

Fleet Planning, in consultation with Purchasing and Supply are recommending that Work Equipment Inc. be awarded a single source “Vendor of Record” contract for the replacement of the City’s existing Trackless attachments that have reached their optimum lifecycle. Multi-year vendor of record contracts greatly increase the efficiency of the process to replace equipment in a timely manner. The justification for the recommendation is based on reasons that comply with the Procurement of Goods and Services Policy including:

- *14.4(d) “There is a need for compatibility with goods and/or services previously acquired....”*
Rationale - The benefits of equipment standardization include parts supply, Technician familiarity and operator training, competency and efficiency.
- *14.4(e) “The required goods and services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience.”*
Rationale - Work Equipment Inc. is the sole distributor of Trackless sales and service for the district. They have provided trackless products and service to the City for over 25 years. Work Equipment Inc. provide on-site service and training when required and have provided very competitive trade in allowance options.
- *7.4 “Specific product for essential functionality purposes”*
Rationale - It is advantageous for the City to buy approved attachments for the Trackless power bodies in order to ensure function, compatibility and meet warranty conditions.

Having specifically designed attachments for the power bodies ensures that the units perform well, are easy and quick to attach and are safe. To introduce other makes of attachments would require additional mounting kits and transition pieces to allow these attachments to connect to the Trackless power bodies.

Over the last few years, the City has trialed two brooms and two flail mowers that were non-trackless brand attachments for comparison purposes. In these examples the non-trackless brands experienced compatibility and performance issues when paired with the Trackless power bodies. It is important that specifically designed products from the manufacturer are purchased in order to have the best performance and easy transition of the units from one task to another and from season to season. Incompatible attachments leads to down time and a loss of productivity and utilization.

Quotations for all attachments have been received from Work Equipment Inc. (Table 2). The initial contract year will begin October 1, 2020 and end September 30, 2021. The first option year may begin October 1, 2021 and end September 30, 2022 and the second option year may begin October 1, 2022 and end September 30, 2023.

Table 2 – Forecasted Replacement Schedule and Quotation

Contract Term	# of Units	Type of Attachment	Replacement Cost - Quotation
2020 - 2021	15	8 V-Plows, 6 Sanders, and 1 Broom	\$102,345
2021 - 2022	12	6 Sanders, 3 Brooms, and 3 Blowers	\$96,650
2022 - 2023	1	Flail Mower	\$11,100

FINANCIAL IMPACT

Capital Budget

The total approved Capital budget for the Trackless attachments identified over the 2020-2023 Multi-year Budget is \$210,700 (excluding HST). The quotation received from the vendor for the replacements was slightly below budget at \$210,095 (excluding HST).

Funding for these purchases was identified in the list of Fleet capital projects for the 2020-2023 Multi-year Budget and is described in the source of financing attached (Appendix “A”).

Operating Budget

The ongoing operating costs for the equipment is captured in the approved multi-year operating budget in each service area through the annual fleet rental rates. There are no expected operating budget impacts associated with this approval.

CONCLUSION

Based on discussion and the analysis above, Fleet Services in consultation with Purchasing and Supply and the applicable Services Areas recommend that the purchase of Trackless brand attachments be purchased through a single source procurement. Work Equipment Inc. is the sole provider of Trackless power bodies and attachments for the region and has provided services to the City for over 25 years.

Selecting Work Equipment Inc. as the vendor of record for these purchases over the multi- year budget term ensures the City will continue to maintain demonstrated service and support, competitive pricing, warranty, trade in values and design compatibility with existing equipment.

Selecting Work Equipment Inc. for these purchases is the best choice for our application and adds value through continued brand standardization and supporting operational and procurement efficiencies.

SUBMITTED BY:	REVIEWED & CONCURRED BY:
MIKE BUSHBY, BA DIVISION MANAGER, FLEET & OPERATIONAL SERVICES	JAY STANFORD, MA, MPA DIRECTOR, ENVIRONMENT, FLEET & SOLID WASTE
RECOMMENDED BY:	
KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER	

Appendix A - Source of Financing

c: John Freeman, Manager of Purchasing & Supply

Appendix A
Source of Financing