



## Finance, Administration and Audit Committee Report

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**DATE:** Monday, April 01, 2019

**WARD(S):** ALL

**TITLE: CAPITAL BUDGET AMENDMENTS FOR FL-5425-18 AND FL-5427-18 - REPLACEMENT TANDEM DUMP TRUCKS; and BY-9548-18 - VMC ENFORCEMENT OFFICER VEHICLES**

**FROM:**

Zoran Postic, Interim Deputy City Manager, Public Works

**ACTION:** DECISION

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### **Purpose**

The purpose of this report is to seek Council approval to increase the capital project budgets for FL-5425-18 and FL-5427-18 for the replacement of two tandem dump trucks; and, BY-9548-18 for the purchase of two VMC Enforcement officer vehicles.

### **Recommendations**

1. That the approved budgets in Capital Projects FL-5425-18 - PW-RDS-Replace Unit #1094 with tandem dump truck and FL-5427-18 - PW-RDS-Replace Unit #1159 with tandem dump truck be increased by \$67,790 and \$17,790 respectively, inclusive of applicable taxes and administration recovery and funded from the Vehicle Replacement Reserve;
2. That the approved budget in Capital Project BY-9548-18 - VMC Enforcement Officers Vehicles be increased by an amount of \$5,000 inclusive of applicable taxes and administration recovery, funded 90% from City-Wide DC Public Works/Fleet Reserve and 10% from the Capital from Taxation Reserve, and
3. That inclusion of this matter on a Public Committee or Council agenda with respect to amending the capital budgets as identified above be deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002, as amended.

## **Report Highlights**

- The City has received new information indicating that the current approved budgets in capital projects FL-5425-18 and FL-5427-18 are insufficient to tender the replacement of 2 tandem dump trucks.
- A capital budget amendment for capital project BY-9548-18 - VMC Parking Strategy Enforcement is required to provide sufficient funds in the project to include equipment that improves the safety and efficiency of the vehicles.

## **Background**

Capital projects FL-5425-18 and FL-5427-18 fund the replacement of two tandem roll-off trucks that have reached the end of their service lives. The units are used to support road and park maintenance, as well as snow operations through the winter season. The services delivered ensure effective service delivery and continuous improvement. In accordance with the City's procurement procedures, a budget amendment is being sought at this stage of the procurement process to ensure sufficient funding is available for the replacement units.

Capital project BY-9548-18 – VMC Enforcement Officers Vehicles funds the procurement of two compact pickup trucks for use by staff in enforcing parking restrictions within the VMC. A budget amendment is being sought for this project to provide sufficient funding for additional equipment on the vehicles that would improve safety and efficiency of the vehicles.

## **Previous Reports/Authority**

[http://www.vaughan.ca/council/minutes\\_agendas/AgendaItems/Finance\\_0507\\_18\\_9.pdf](http://www.vaughan.ca/council/minutes_agendas/AgendaItems/Finance_0507_18_9.pdf)

## **Analysis and Options**

### **The cost for tandem dump trucks have increased in part due to steel and aluminum tariffs**

A budget amendment was previously approved in 2018 for capital projects FL-5425-18 and FL-5427-18 based on costing information at that time that indicated the existing budgets were insufficient to award the projects listed once tendered.

A more recent vendor inquiry performed during the early stages of the procurement process informed that prices for this type of equipment have further increased, principally due to steel and aluminum tariffs, as well as a vendor adjustment to prices.

A budget amendment is being sought for FL-5425-18 and FL-5427-18 to provide sufficient funds to tender the vehicles. If approved, the Request for Tender for the two units will be executed in compliance with the Corporate Procurement Policy assuring that the award within the amended budget represents good value to the City for this

necessary equipment.

One alternative to the budget amendment for the two tandem dump trucks is to alter the specifications of the units to reduce costs. Doing so will reduce the performance, flexibility, and utility of the units, as well as impact service delivery efficiency and productivity. Further, the activity of re-specification will delay tendering and delivery of the units.

### **Additional equipment is available for the VMC enforcement officer vehicles to improve the safety and efficiency of the vehicles**

The tender for two VMC enforcement officer vehicles was issued in Q4 2018 and informed that additional equipment is available to reduce the likelihood of slips, trips and falls entering and exiting the vehicles, and enable additional light to be provided to outside work areas which may not have direct lighting. The cost of the equipment was not included in the original budget however given its benefits, a budget amendment request is being sought to procure the available equipment.

Should the budget amendment for BY-9548-18 be approved, the equipment will be selected and procured in compliance with the Procurement Policy.

The alternative to this budget amendment request is to not order the additional equipment, foregoing the likely safety and operational benefits they would provide.

## **Financial Impact**

### **Tandem Dump Trucks**

A capital budget amendment is required for FL-5425-18 and FL-5427-18 to compensate for the projected increase in the cost of the units to be tendered.

The recommended capital budget increases are inclusive of applicable taxes and administration recovery and would be funded from the Vehicle Replacement Reserve. Any residual funds will be returned to the original funding source.

The additional funds required in each project are summarized in the table below.

<b>Table 1: Capital Budget Amendment Summary</b>			
	<b>FL-5425-18</b>	<b>FL-5427-18</b>	<b>Total</b>
	<b>Replace Unit #1094</b>	<b>Replace Unit #1159</b>	
Total Estimated Costs (including HST and 3% Administration Recovery)	\$430,000	\$380,000	\$810,000
Less: Approved Budget	\$362,210	\$362,210	\$724,420
<b>Budget Amendment Required</b>	<b>\$67,790</b>	<b>\$17,790</b>	<b>\$85,580</b>
<b>Funding Source:</b>			
Vehicle Replacement Reserve	\$67,790	\$17,790	\$85,580

### **VMC Enforcement Officer Vehicles**

A capital budget amendment of \$5,000 is required to address the cost of additional equipment for the two compact pickup trucks tendered for project BY-9548-18.

The recommended capital budget increase is inclusive of applicable taxes and administration recovery and would be funded 90% from the City-Wide DC Public Works/Fleet Reserve and 10% from the Capital from Taxation Reserve. Any residual funds will be returned to the original funding source.

The additional funds required is summarized in the table below.

<b>Table 2: Capital Budget Amendment Summary</b>	
	<b>BY-9548-18</b>
	<b>VMC Enforcement Officers Vehicles</b>
Total Estimated Costs (including HST and 3% Administration Recovery)	\$97,700
Less: Approved Budget	\$92,700
<b>Budget Amendment Required</b>	<b>\$5,000</b>
<b>Funding Source:</b>	
10% Taxation	\$500
90% City-Wide DC Public Works/Fleet Reserve	\$4,500

## **Broader Regional Impacts/Considerations**

There are no regional implications from the recommendations of this report.

## **Conclusion**

Staff recommends that:

- An increase to the approved budgets in Capital Projects FL-5425-18 and FL-5427-18 be approved to ensure sufficient funds to move forward with a tender for this equipment; and,
- An increase to the approved budget for Capital Project BY-9548-18 be approved to ensure sufficient funds to procure equipment supporting improved safety and efficiency.

**For more information**, please contact: Donald Eta, Director, Fleet Management Services.

## **Attachments**

There are no additional attachments for this report.

## **Prepared by**

Donald Eta, Director, Fleet Management Services, ext. 6141