

Committee of the Whole (2) Report

DATE: Tuesday, December 10, 2024

WARD(S): ALL

TITLE: REQUEST TO CREATE A CAPITAL PROJECT TO REPLACE
FIRE TRUCK 7973

FROM:

Gus Michaels, Deputy City Manager, Community Services

ACTION: DECISION

Purpose

To authorize staff to create a new 2024 capital project for Replacement of Aerial Truck 7973 with a budget of \$2.1 million, funded from Fire Infrastructure Reserve. The project budget will be funded initially from the Fire Infrastructure Reserve, but then replenished by the insurance settlement, which is expected to cover approximately 95% of the project cost.

Report Highlights

- The total loss of a fire truck in November 2023 has been funded through a comprehensive insurance claim to recover 95% of the total cost.
- To complete the purchase quickly and take advantage of an available unit and competitive pricing, fire infrastructure reserves will be used to make the purchase forthwith.
- Insurance will be used to replenish the fire reserve account once the claim is received.

Recommendations

1. That a new 2024 capital project be created for “Replacement of Aerial Truck 7973” with a budget of \$2.1 million, funded from Fire Infrastructure Reserve.
2. That inclusion of this matter on a Public Committee or Council agenda with respect to creating this capital project as identified above be deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002, as amended.

Background

On November 5th, 2023, a three-alarm fire occurred in the Rutherford and Hwy 27 area in under-construction townhouse development. During that emergency, fire truck 7973 was damaged beyond repair.

Previous Reports/Authority

N/A

Analysis and Options

After the loss of the vehicle, Vaughan Fire and Rescue Service (VFRS) compiled the mechanical and repair history of the unit, along with associated lost equipment and presented the findings to the City's insurer, AON Insurance Inc. Following analysis of insurance coverage, extent of coverage was expected to be limited, with the intended planned future capital project request to be developed for securing of remaining costs and replacement of the vehicle/apparatus and equipment. In August 2024, VFRS was informed the City had a replacement rider as part of its insurance policy coverage on the vehicle and equipment.

The City's Corporate Procurement Policy 15.C.03 encourages the use of collaborative procurements in which combining the volume of Goods and/or Services to be purchased results in the best value for Vaughan. Through the group purchasing organization, Sourcewell, the City was able to source a vehicle through one of its competitive agreement RFP#113021 – CSM Sourcewell Firefighting Apparatus and Fire Service Vehicles with awarded supplier Safetek Emergency Vehicles Ltd. ("Safetek") is able to provide a quotation and confirm delivery within the current calendar year (2024), allowing for the City to capitalize on availability and costs.

Of significance is noting that replacement costs and build times for this type of specialized fire trucks have increased rapidly over the last few years. Delays related to heightened demand, supply and labour availability issues have stretched production times from approximately 12 months to approximately 36 months, and substantially increased costs by nearly 40%. As such, proceeding as recommended within this report to acquire the asset was and remains in the city's best interest.

Not proceeding with this purchase immediately could result in not only losing a unit ready for immediate service, but also the city absorbing rising costs related to the differential in -CAD dollar vs the USD.

Financial Impact

The replacement cost of the Aerial Truck will be covered primarily through insurance, but a new capital project is required to procure the vehicle. The capital project budget of \$2.1 million CAD also includes non-recoverable tax, capital project administration fees, and contingency for currency rate conversion (from USD to CAD). The project budget will be funded initially from the Fire Infrastructure Reserve, later replenished by the insurance settlement, expected to cover approximately 95% of the total project cost.

Operational Impact

This report has been prepared in consultation with Financial Planning and Development Finance Department and Procurement Services Department.

Broader Regional Impacts/Considerations

There are no broader regional impacts or considerations as a result of the recommendations of this report.

Conclusion

Staff are seeking Council's approval to proceed with recommendations contained within this report to create a new 2024 capital project for Replacement of Aerial Truck 7973 with a budget of \$2.1 million, initially funded from Fire Infrastructure Reserve to be replenished by the insurance settlement, expected to cover approximately 95% of the total project cost.

For more information, please contact: Andrew Zvanitajs, Fire Chief, Ext 6301

Attachments

N/A

Prepared by

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