



## Staff Report

**Report Title: Pickup Truck Tender**

**Prepared By: John Yungblut, Director of Public Works**

**Department: Public Works**

**Date: Apr. 4, 2022**

**Report Number: PW-2022-04-26**

**File Number: V01 PWO 22**

### **Attachments:**

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### **Recommendation:**

THAT the Township of Huron-Kinloss Committee of the Whole hereby approves Report Number PW2022-04-26 prepared by John Yungblut, Director of Public Works AND accepts the tender from Leslie Motors Ltd. in the amount of \$100,646 plus HST and license fee for the purchase of two pickup trucks AND accepts the revised tender price from Finch Chevrolet Cadillac Buick GMC Ltd. in the amount of \$43,050 plus HST and license fee for the purchase of one pickup truck AND FURTHER authorizes the appropriate by-laws coming forward.

### **Background:**

On June 20, 2021, Council accepted the tender for two pickup trucks from Finch Chevrolet in the amount of \$92,280.50. Here is the breakdown of the three bids received in 2021:

<b>Bidder</b>	<b>½ Tonne Amount (not incl. HST or license fee)</b>	<b>¾ Tonne Amount (not. incl. HST or license fee)</b>
Finch Chevrolet	\$41,750.00	\$50,000.00
Leslie Motors	\$50,129.30	\$56,401.34

Blue Mountain Chrysler	\$61,722.00	\$66,441.00
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On Jan. 18, 2022, the ¾ tonne truck was delivered, however, on Jan. 24, 2022, Township staff were informed that General Motors (GM) had cancelled the production of the ½ tonne truck due to the global microchip shortage.

**Discussion:**

On March 8, 2022, Township staff issued tender PW2022-03-24 for the purchase of two ½ tonne pickup trucks to be used primarily by the Public Works Department with a March 24, 2022, closing date. One bid was received, which was amended after receiving the information from GM. The following is the revised bid submission:

<b>Bidder</b>	<b>Bid Amount (not incl. HST or license fee)</b>
Leslie Motors	\$100,646.00

The anticipated delivery date included in the bid submission is 8-12 months and will be either 2022 or 2023 F-150 models.

On March 22, 2022, Township staff were informed by Finch Chevrolet that GM will honour the government incentives, with a small increase to the price of the vehicle. The reason for the price increase is the government incentives from the manufacturer were reduced. Also, due to the microchip shortage, this vehicle would not have rear park assist sensors and the expected delivery date would be in July 2022. To ensure fairness to all bidders, Township staff asked each bidder from 2021 if they would like to resubmit a bid for the ½ tonne truck model.

Here are the results of the resubmitted bids:

<b>Bidder</b>	<b>½ Tonne Amount (not incl. HST or license fee)</b>
Finch Chevrolet	\$43,050.00
Leslie Motors	Declined to bid
Blue Mountain Chrysler	\$64,288.00

Although the 2022 Capital Budget only allocated funds for the purchase of two pickup trucks, procuring vehicles is proving to be extremely challenging, so staff recommend purchasing the three trucks with the expectation that two of them won't be delivered until 2023. By taking this route, we do not anticipate a need for tendering the purchase of any new pickup trucks in 2023.

Currently, Public Works is using two rental pickup trucks that are to be returned on May 1, 2022, and two pickup trucks that are to be returned to Community Services for the summer months. The expected arrival of our one tonne truck is in July and the potential of another ½ tonne truck this summer will help with the current vehicle shortage we are experiencing.

If we are able to purchase new trucks for delivery in 2023, we will be able to finally fully stock the Township fleet and provide some flexibility if one of our older trucks need to be taken out of service. We currently have a 2001 F-150 and a 2003 F-250 in our fleet.

**Financial Impacts:**

The 2022 Capital Budget allocated \$100,000 for the procurement of pickup trucks. We are currently renting the two trucks at \$295.00 plus HST per week per vehicle. The insurance compensation for the 2016 Silverado 1500 that was involved in a collision in January 2022 and deemed a total loss is \$42,591.21.

**Strategic Alignment / Link:**

We are an accessible community by being open and transparent.

**Respectfully Submitted By:**

John Yungblut, Director of Public Works

**Approved By:**

Mary Rose Walden, Chief Administrative Officer