

COMMITTEE OF THE WHOLE – NOVEMBER 1, 2004

AWARD OF TENDER T04-170 SUPPLY AND DELIVERY OF EIGHTEEN (18) LEASED MULTI-PURPOSE TRACTORS

Recommendation

The Commissioner of Community Services, in consultation with the Director of Purchasing Services and the Director of Budget and Financial Planning recommends:

1. That Tender T04-170, for the supply and delivery of eighteen (18) leased multi-purpose tractors complete with sanders, angle plows and dump bodies with unlimited hours, be awarded to Champion Road Machinery Sales for the following leasing terms:
 - A total price of \$219,959.90, including P.S.T per year for 6 ½ years lease (unlimited hours) with a residual value of \$6,200.00 plus taxes, per machine.
2. That a bylaw be enacted authorizing the Mayor and the City Clerk to sign the necessary document.

Purpose

Award tender T04-170 for the supply and delivery of eighteen (18) leased multi-purpose tractors.

Background – Analysis and Options

Operations have requested that funds be allocated in the operating budget to lease the sidewalk tractors as part of an ongoing program to plow snow from sidewalks.

Parks budgeted \$231,230.40 per year plus taxes for the previous lease. Parks has budgeted for the new lease of 18 machines up to December 31, 2004 and has requested \$220,000.00, plus taxes for 2005 and \$30,000 per year to be reserved for the option of an outright purchase of these 18 new machines at the end of the lease for a total of \$250,000.00 in the 2005 operating budget.

Tender T04-170, was advertised in the Liberal and the Electronic Tendering Network (ETN) and closed on September 13, 2004. There were four (4) bid documents issued and two (2) bid documents were received.

Champion Road Machinery supplied a 45-horse power tractor with unlimited usage (in hours), while Joe Johnson Equipment supplied 110-horsepower with limited usage. Although both tractors met specifications the bids showed that the Champion equipment was more than adequate for the City's needs at a much lower cost than that of Joe Johnson.

In 1999, the City leased twenty 33-horsepower tractors. Based on the horsepower these tractors supplied adequate service during the five-year lease, but because they were not articulated frequent damages occurred, as they were not able to articulate around tight areas when plowing the sidewalks.

The result of the bids including G.S.T and P.S.T are as follows:

<u>Supplier</u>	<u>Bid</u>
Champion Road Machinery Sales (As specified)	\$1,118,526.57 (30 months) \$1,242,132.89 (54 months) \$1,300,226.20 (66 months)
Joe Johnson Equipment	
Alternate bid "A"	\$1,128,009.24 (30 months) \$1,377,364.32 (54 months) \$1,549,789.20 (66 months)
Alternate bid "B"	Did not meet specifications
Alternate bid "C"	Did not meet specifications

Residual Value

The residual value to purchase each unit at the end of the leasing terms is as follows:

Champion Road Machinery:

\$ 9,000.00 (30 month)
\$ 7,000.00 (54 month)
\$ 6,200.00 (66 month)

Joe Johnson Equipment:

\$32,000.00 (30 month)
\$27,000.00 (54 month)
\$22,000.00 (66 month)

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources are allocated in the 2005 operating budget.

The leasing of the multi-purpose tractors will enhance the provision of effective and efficient delivery or service to the community.

Conclusion

Staff has reviewed the submissions and based on the tender results, and the ability of the manufacturers to supply the required equipment, it is recommended that the tender be awarded to Champion Road Machinery Sales as noted in the recommendations.

Attachments

None

Report Prepared By

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Respectfully submitted,

Marlon Kallideen
Commissioner of Community Services