

DATE: June 17, 2024

REPORT NO: PW-18-2024

SUBJECT: **2024 Tractor with Attachments - Purchase Authorization and Amendment to Budget**

CONTACT: Tray Benish, CRS-S, Manager of Operations
Mike DiPaola, P.Eng., Director of Public Works and Recreation

OVERVIEW:

- As part of the Township's Public Works Equipment Replacement 10 Year Capital Plan, Council approved the replacement of Tractor No. 40201 including its attachments as part of the 2024 Capital Budget. A Request For Proposal (RFP) was put out to market through a joint procurement opportunity.
- The RFP and joint procurement was done through LAS/Sourcewell, which the Township has used previously.
- Based on the RFP evaluation summary completed by LAS/Sourcewell, John Deere (Deere & Company) was the successful manufacturer that supplies this piece of equipment within Canada. Premier Equipment, as the local supplier of John Deere equipment, provided the bid price in the amount of \$278,395.00.
- The tractor and attachments are a like-for-like replacement.
- Council approved \$195,000.00 as part of the 2024 Capital Equipment Budget for the replacement of Tractor No. 40201.
- Staff requests Council to approve a Budget Amendment (BA2024-05) in the amount of \$84,000.00, funded through a transfer from the Equipment Reserve.
- Staff further recommend acceptance of the RFP submission by John Deere (Deere & Company) and complete the purchase through the local supplier, Premier Equipment Ltd.

RECOMMENDATION:

1. That, Recommendation Report PW-18-2024, "2024 Tractor with Attachments – Purchase Authorization and Amendment to Budget", dated June 17th, 2024 be received; and,
2. That, Council accept the RFP submission by Deere & Company for the supply and delivery of the 2024 Tractor with Attachments, supplied by Premier Equipment Ltd., in the amount of \$278,395.00; and,
3. That, Council approve a budget amendment (BA2024-05) in the amount of \$84,000.00, funded through a transfer from the Equipment Reserve; and,

4. That, staff be authorized to proceed with the purchase from Premier Equipment Ltd.

ALIGNMENT TO STRATEGIC PLAN:

- **BUILD** – a safe, connected, caring and active community

BACKGROUND:

Council approved Project 168, with a budget of \$195,000, for the purchase of a new tractor with attachments as part of the 2024 Capital Budget to replace the existing tractor 40201, which is 12 years old and reaching the end of its useful lifecycle. This equipment is used to complete the Township's roadside mowing, brushing and vegetation control program.

CURRENT SITUATION:

Group buying is a powerful tool that assists organizations to purchase a number of products and services. By combining requests, municipalities can access high-quality, competitively-priced goods and services,

Local Authority Services (LAS) was created in 1992 by the Association of Municipalities of Ontario (AMO). LAS is incorporated as a not-for-profit organization under the laws of Canada and is mandated to work with Ontario municipalities, as well as organizations from the broader public sector, to help realize lower costs, higher revenues, and enhanced staff capacity through cooperative procurement efforts by leveraging the combined purchasing power of over 2,500 Canadian municipalities.

The LAS Municipal Buying Program offers a viable and competitive sourcing option to the Township. Their team has streamlined the procurement process by developing Request For Proposals (RFPs) and Invitation for Bids (IFBs) for national, competitive solicitations that meet or exceed the Township's purchasing policy requirements.

A competitive Request for Proposal (RFP #031121-DAC) was issued by Sourcewell on behalf of LAS and was conducted through the Sourcewell Procurement Portal. Proposals were received from 42 suppliers, and a four-member Evaluation Committee evaluated the proposals.

Based on the RFP evaluation summary completed by LAS/Sourcewell, John Deere (Deere & Company) was the successful manufacturer that supplies this piece of equipment and attachments within Canada. In the RFP, two manufacturers were evaluated higher than John Deere, but were excluded for further consideration in this project, as one manufacturer does not offer the specific type of equipment that is required by the Township, and the other is not available in Canada. Premier Equipment, as the local supplier of John Deere equipment, provided the bid price in the amount of \$278,395.00. The tractor and attachments are tax exempt, meaning there is no HST on the purchase price, because it falls within the agriculture (Zero-Rated) category.

John Deere tractors are known to be excellent machines and will be a great addition to the fleet. Since the Township is utilizing this joint government procurement opportunity, there is a significant discount provided from the Manufacturer Suggested Retail Price (MSRP)

list price totaling approximately \$63,000.00 in savings.

FINANCIAL IMPLICATIONS:

Council approved \$195,000.00 for the replacement of Tractor 40201 in the 2024 Capital Budget. Staff have itemized the following items for Council's consideration:

Tractor	\$121,825.00
Side/Rear Mowers, Boom Flail Attachments	\$156,570.00
Sub-total	\$278,395.00
Net HST Amount	\$0.00
Total	\$278,395.00

Since the total cost to purchase the tractor and attachments exceed the approved budget of \$195,000.00, staff is requesting an amendment to budget (BA2024-05) in the amount of \$84,000.00 to make up the difference. This additional budget amount will be funded through a transfer from the Equipment Reserve.

INTER-DEPARTMENTAL COMMENTS:

This report has been reviewed by the Interim CAO/Treasurer, the Acting Director of Finance and the Clerk's office.

CONCLUSION:

In summary, Staff recommend that the bid price of \$278,395.00 submitted by Premier Equipment, as the local supplier of John Deere equipment, be accepted.

Staff further requests the approval of an amendment to budget (BA2024-05) in the amount of \$84,000.00 to be funded through a transfer from the Equipment Reserve, and that staff be authorized to proceed with this purchase.

Prepared by:



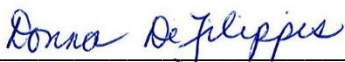
Tray Benish, CRS-S
Manager of Operations

Submitted by:



Mike DiPaola, P.Eng.
Director of Public Works and Recreation

Approved by:



Donna DeFilippis, CPA, CA
Interim CAO and Treasurer