

DATE: April 14, 2025

REPORT NO: O-11-2025

SUBJECT: **Two Tandem Axle Dump Trucks with Plowing Equipment – Purchase Authorization and Amendment to Budget**

CONTACT: Tray Benish, CRS-S, Manager, Operations
Mike DiPaola, P.Eng., Director, Infrastructure

OVERVIEW:

- As part of the 2025 Capital Equipment Budget, Council approved projects 484 and 642 for the replacement of two tandem axle dump trucks (RD 20036 and RD 20037) including plowing attachments, at a cost of \$400,000.00 each.
- An RFP was completed through LAS/Sourcewell/Canoe, a joint procurement group that the Township has used previously for projects including the streetlight LED conversion program, the purchase of a motor grader and the purchase of a tractor.
- The highest rated supplier through the RFP process, based on an evaluation summary completed by LAS/Sourcewell, is Alamo Group Inc.(USA)/Everest Equipment Co. (Canadian Supplier). Everest Equipment Co. has provided a Canoe certified quote in the amount of \$423,800.00 (Excluding HST) per truck with attachments.
- The total cost/expenditure for both trucks, including miscellaneous items and net HST is \$865,000.00.
- The trucks and attachments are like-for-like replacements.
- Administration recommends acceptance of the RFP submission by Alamo Group Inc. and complete the purchase through the local supplier, Everest Equipment Co.
- Administration requests Council approve Budget Amendment (BA2025-04) in the amount of \$65,000.00, funded through a transfer from the Equipment Reserve.

RECOMMENDATION:

1. That, Recommendation Report O-11-2025, titled “Two Tandem Axle Dump Trucks with Plowing Equipment – Purchase Authorization and Amendment to Budget”, dated April 14th, 2025 be received; and,
2. That, Council accept the quote provided by Everest Equipment Co. for the supply

and delivery of two tandem axle dump trucks with plowing equipment in the amount of \$847,600.00 (Excluding HST); and,

3. That, Council approve a budget amendment (BA2025-04) in the amount of \$65,000.00, funded through a transfer from the Equipment Reserve, in order to cover the total expenditure for both trucks totalling \$865,000.00; and,
4. That, Administration be authorized to proceed with the purchase through Everest Equipment Co.

ALIGNMENT TO STRATEGIC PLAN:

Theme #1

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

BACKGROUND:

Two existing tandem axle dump trucks, RD 20036 and RD 20037, have reached the end of their useful lifecycle. Council approved the purchase of two new tandem axle dump trucks with plowing equipment as part of the 2025 Capital Budget. The dump trucks are used for various maintenance activities throughout the Township including hauling gravel, roadside ditching operations, and sanding/plowing during winter control events.

CURRENT SITUATION:

Administration have explored various procurement options for these two projects in order to determine which one has the best cost savings benefit to the Township, as unknown factors such as tariffs may play a part in the purchase and delivery of these two tandem axle dump trucks with plowing equipment.

In the past, Administration have utilized joint procurement with fleet/equipment purchases, as it has proven to be very effective in providing cost savings. The Township is currently a member of the Local Authority Services (LAS/Sourcwell/Canoe-Canada) group buying platform, which Administration have used for previous projects such as the LED streetlight conversion program, a motor grader purchase, and a tractor purchase. LAS/Canoe currently have a “Winter Maintenance Equipment Program” contract (Contract #062222-AGI-1), that includes tandem axle dump trucks with plowing equipment as part of its deliverables. The highest rated submission, through the RFP evaluation that was completed by LAS/Sourcwell, was Alamo Group Inc.(USA) and is fulfilled by Everest Equipment Co., the local Canadian supplier.

Everest Equipment Co. is based out of Quebec, and is the Canadian supplier for Alamo Group Inc.(USA). Everest Equipment have been preparing for the upcoming imposed US tariff's and have stock of truck chassis' in their yard ready to be built. Due to having these truck chassis' already in Canada, the Township will not be subject to any tariffs that may have come into effect if a typical Tendering process was completed for these projects. It will also greatly reduce the build/delivery timeline for the two trucks, as historically plow trucks take 18-24 months to be ordered, built and delivered as truck chassis' have low

availability in Canada. An estimated delivery date of September 2025 has been provided by Everest Equipment Co., with the truck bodies starting to be built in May 2025.

Everest Equipment Co. has provided a contract price of \$423,800.00 (excluding HST) for each tandem axle dump truck with plowing equipment, bringing the total project expenditure to \$865,000.00 (with the inclusion of net HST and other miscellaneous items). They are like-for-like replacements of the existing trucks and plowing attachments.

FINANCIAL IMPLICATIONS:

Council approved projects 484 and 642, totalling \$400,000.00 each, for the replacement of tandem axle dump trucks in the 2025 Equipment Capital Budget. Administration has itemized the following for Council's consideration:

Tandem Dump Truck with Plow Equipment #1	\$ 423,800.00
Tandem Dump Truck with Plow Equipment #2	\$ 423,800.00
Sub-total	\$ 847,600.00
Non-recoverable HST	\$ 14,917.76
Miscellaneous Items (Decals, GPS, etc.)	\$ 2,482.24
Total	\$ 865,000.00
Approved Capital Budget (Projects 484/642)	\$ 800,000.00
Amendment to Budget Request	\$ 65,000.00

Administration is requesting a Budget Amendment (BA2025-04) in the amount of \$65,000.00, to be funded through a transfer from the Equipment Reserve.

As part of the 2025 budget deliberations, Council was presented with Information Report T-01-2025 Draft Operating and Capital Budget on January 27, 2025. Schedule H to this Report presented a forecast of levy-supported reserve closing balances over the course of the Township's Ten Year Capital Plan. Administration has forecasted that the Equipment Reserve would be in an overdrawn (deficit) position of \$205,600 at the end of 2025.

In accordance with the Township's Reserve and Reserve Fund Policy, the Equipment Reserve is funded through operating budget contributions and proceeds from sale of vehicles and equipment assets. Administration plans to sell the existing tandems once the new tandems are received, which will be later this year. The proceeds from the sale of the tandems will be allocated back to the Equipment Reserve, which will help mitigate and offset the impact to the Equipment Reserve. Depending on the actual cost of equipment assets purchased in 2025, there may be an increased contribution requirement to the equipment reserve as part of the 2026 budget.

INTER-DEPARTMENTAL COMMENTS:

This report has been reviewed by the CAO, the Director of Corporate Services/CFO, and the Clerk's office.

CONCLUSION:

In summary, Administration recommends that the quote received from Everest Equipment Co. in the amount of \$847,600.00 for two tandem axle dump trucks with plowing equipment be accepted, and that the Mayor and Clerk be authorized to enter into an agreement with Everest Equipment Co.

Administration further requests a Budget Amendment (BA2025-04) in the amount of \$65,000.00 to be funded through a transfer from the Equipment Reserve, in order to cover the total cost/expenditure of \$865,000.00, which include net HST and other miscellaneous costs.

Prepared & Submitted by:

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Approved by:

Truper McBride
CAO