

## MANAGEMENT REPORT

**Date:** June 24, 2024  
**To:** Mayor and Council  
**From:** Brent Raycraft, Supervisor of Fleet  
**Report Number:** COU24-063  
**Attachments:** T-2024-05 Bid Summary

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**Title:** Supply and Delivery of Hybrid Vehicles

**Objective:** To obtain Council approval to accept the bid from East Court Metro Ford Lincoln for six (6) vehicles with a total price of \$467,432.05, including HST, and to accept the bid from Lunar Contracting of Oakville, Ontario, for one (1) vehicle with a total price of \$66,267.72, including HST.

**Background:** In accordance with the approved 2024 Capital Budget, the Fleet Division has consolidated the purchase of seven (7) hybrid vehicles to replace the aging gasoline-powered fleet. Proceeding with hybrid fleet purchases supports the City's Community Climate Action Plan to reduce community-wide greenhouse gas emissions and achieve net zero emissions. The new hybrid fleet is expected to improve fuel efficiency by approximately 30%, resulting in cost savings from reduced fuel consumption and a cumulative emissions reduction of 294 tCO<sub>2</sub>e over the service life of the seven vehicles compared to the previous models.

**Analysis:** There were a total of four suppliers registered for the project, with all four submitting pricing. The lowest pricing submission that met the specifications for the six (6) Hybrid Pickups was East Court Metro Lincoln. The one (1) Hybrid SUV with the lowest pricing submission that met the specifications was Lunar Contracting. The approved budget for these purchases totaled \$475,000.00, with the submissions totalling \$533,699.77 including HST or \$508,195.53 after the partial HST rebate. Although the total expenditure slightly exceeds the budget, the remaining fleet tenders have come in well under budget, resulting in sufficient available funds within the overall fleet reserve.

As the City continues to focus on climate initiatives and to search for efficiencies in the Fleet Division, this tender has provided context for the sense of hybrid pricing for future purchases. The reduction in greenhouse gasses with seven (7) more hybrid vehicles in the Fleet is another stride in our climate reduction goal.

Due to ongoing supply chain issues, it is anticipated that these new vehicles will take approximately 150 days, or longer, to be delivered from the date of purchase.

### **Financial Implications:**

#### **Financial impact to current year operating budget:**

There is no impact anticipated on the current budgeting year.

#### **Financial impact on future year operating budget:**

This purchase will result in a reduction in operating costs for these vehicles in future years, as there will be reduced repairs, a 3-year warranty, and reduced fuel costs that will be reflected in future budget estimates.

#### **Link to asset management plan and strategy:**

All seven new vehicles have an estimated useful lifecycle of 10 years. Annual contributions to fleet reserves totalling \$50,000 are included in the forecasted annual budget to account for future replacement of these specific vehicles.

#### **Insurance considerations:**

Since hybrid vehicles values are higher, it may result in insurance rates being a bit more than the traditional gas powered equivalent.

### **Alignment with Strategic Priorities:**

#### **Developing our Resources**

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

### **Alignment with One Planet Principles:**

#### **Travel and Transport**

Reducing the need to travel, encouraging walking, cycling and low carbon transport.

#### **Material and Products**

Using materials from sustainable sources and promoting products which help people reduce consumption.

#### **Zero Waste**

Reducing consumption, reusing and recycling to achieve zero waste and zero pollution.

**Staff Recommendation: THAT the portion of the tender (T-2024-05) for the supply and delivery of six (6) Hybrid Ford 150 XL Pickup Trucks be awarded to East Court Metro Lincoln at a total tender price of \$467,432.05, including HST;**

**AND THAT the portion of the tender (T-2024-05) for the supply and delivery of one (1) Hybrid Ford Escape SUV be awarded to Lunar Contracting at a total tender price of \$66,267.72, including HST.**

**Prepared by:** Brent Raycraft, Supervisor of Fleet  
**Recommended by:** Taylor Crinklaw, Director of Infrastructure Services  
Joan Thomson, Chief Administrative Officer