

MANAGEMENT REPORT

Date: July 8, 2024
To: Mayor and Council
From: Brent Raycraft, Supervisor of Fleet
Report Number: COU24-070
Attachments: T-2024-14 Bid Summary

Title: Purchase of 4-Wheel Drive Industrial Loader Backhoe and Attachments

Objective: To obtain Council approval to award tender T-2024-14 for one 4-Wheel Drive Industrial Backhoe and Attachments to Delta Power Equipment.

Background: The Water Division requires a backhoe largely for repair and maintenance of the City's water distribution infrastructure. When there are leaks, breaks, or other issues in the water distribution system, a backhoe can quickly excavate the area around the problem, allowing workers to access and repair the damaged pipes or infrastructure. Currently, these services are facilitated with the use of a 2012 backhoe that is scheduled for lifecycle replacement.

Tender T-2024-14 was posted and closed May 6, 2024.

Analysis: Four submitted tenders were received, with Delta Power Equipment having the lowest package price, including attachments and warranty (\$204,285.00 before taxes, \$230,842.05 including HST). The submission met all requested specifications and requirements and references were checked.

The new replacement backhoe provides greater efficiency and cost savings for the Water Division by reducing downtime and the repair and maintenance costs associated with older machinery. The 4-Wheel Drive Industrial Loader Backhoe and its attachments come with a one-year warranty covering all repairs and up to a 60-month warranty for major components.

Additionally, the replacement unit uses a more fuel-efficient engine compared to the existing equipment, being equipped with the new Teir 4 Emissions. This not only enhances fuel efficiency but also helps lower the carbon footprint of our operations.

The price of Delta Power Equipment's submission is within the approved budget for this equipment purchase. The approved budgeted amount of this purchase was

\$250,000.00, and based on estimated costs of another supplier, so the total costs are lower at \$230,842.05 including HST or \$207,880.42 after HST rebate. Amounts budgeted, but not spent remain in the Fleet reserve for future replacements.

Financial Implications:

Financial impact to current and future year operating budgets:

As these items were included in the 2024 budget, there are no anticipated financial implications. The new equipment will result in reduced fuel and repair costs compared to the existing equipment.

Link to asset management plan and strategy:

The equipment being replaced has a lifecycle of ten years, and the new equipment will have a similar ten-year lifecycle. Replacement costs of \$25,000 annually are included in the annual budget as transfers to capital reserves set aside of eventual planned replacement.

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:

Material and Products

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

Staff Recommendation: THAT the Tender (T-2024-14) for the Supply and Delivery of one 4-Wheel Drive Industrial Loader Backhoe and Attachments be awarded to Delta Power Equipment for a total price of \$230,842.05, including HST.

Prepared by: Brent Raycraft, Supervisor of Fleet

Recommended by: Taylor Crinklaw, Director of Infrastructure Services
Joan Thomson, Chief Administrative Officer