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**Subject:** Purchase of Seven (7) New Dump Trucks with Winter Control Equipment

**Report to:** Public Works Committee

**Report date:** Tuesday, March 4, 2025

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## **Recommendations**

1. That the original Contract amount of \$6,739,382 (including 13% HST) awarded to Rush Truck Centres of Canada Ltd. **BE INCREASED** by \$4,132,128 (including 13% HST), for a total revised Contract of \$10,871,510 (including 13% HST) for the purchase of seven (7) additional new dump trucks with winter control equipment.

## **Key Facts**

- This report seeks Council's approval to purchase an additional seven (7) Dump Trucks with Winter Control Equipment from Rush Truck Centres of Canada Ltd. under Contract 2024-T-148.
- Transportation Services currently has a fleet of twenty-two (22) dump trucks with winter control equipment, these trucks are beyond their expected useful life and require replacement.
- In late 2024, Council approved the award of Contract 2024-T-148 – Supply and Delivery of twelve (12) Dump Trucks with Winter Control Equipment under Report PW 30-2024 to Rush Truck Centres of Canada Ltd. being the lowest compliant bidder.
- In the 2025 Capital budget for Transportation Services \$3,858,000 has been approved under Project 20002109 (2025 Annual Fleet Dump Plow Trucks).
- The Procurement Bylaw 02-2016, as amended, permits the purchase of goods and/or services by negotiated extension of an existing contract where such an extension would be more effective than other purchasing methodologies.
- Per Schedule "B" of By-law 02-2016 Council approval is required for negotiated purchases over \$1,000,000 in value.

## **Financial Considerations**

### **Budget Approved - \$3,858,000**

- Council approved \$3,858,000 in the 2025 capital budget under Project 20002109 for the purchase of seven (7) new dump trucks with winter control equipment.
- Previous budget approvals in 2022 and 2024 have facilitated the purchase of twelve (12) new dump plow trucks that are currently on order from Rush Truck Centres of Canada Ltd.

### **Award Within Approved Budget**

- Staff publicly tendered the Supply and Delivery of twelve (12) Dump Trucks with Winter Control Equipment in late 2024 and awarded to the lowest compliant bidder, Rush Truck Centres of Canada Ltd., at their bid price of \$6,069,034 (including non-recoverable HST) with Council approval under Report PW 30-2024.
- Rush Truck Centres of Canada Ltd. has provided pricing for the purchase of seven (7) additional dump trucks with winter control equipment in accordance with specifications in the current contract at a price of \$3,721,110 (including non-recoverable HST).
- Sufficient budget exists in Capital Project 20002109 to facilitate the extension of the Contract with Rush Truck Centres of Canada Ltd. to include the additional seven (7) dump trucks with winter control equipment.
- Extending the existing contract with Rush Truck Centres of Canada Ltd. provides good value for the Region, as costs are based on 2024 pricing with a 1.57% increase, which is below the current Dec 2024 CPI rate of 1.7%. Additionally, the order can be fulfilled without delay. Re-bidding the contract in 2025 is likely to result in higher costs and longer lead times for truck delivery, leading to increased downtime and a negative impact on service delivery.

## **Analysis**

In 2024, Staff publicly tendered for the supply and delivery of twelve (12) dump trucks with winter control equipment. Four (4) vendors submitted bids that were evaluated by Procurement. Rush Truck Centres of Canada Ltd. submitted the lowest compliant bid at their bid price of \$6,069,034 (including non-recoverable HST). In October 2024, Council approved Report PW 30-2024 for the purchase of twelve (12) new dump trucks with winter control equipment.

Through the 2025 Capital Budget process, Council approved funding for the purchase of seven (7) new dump trucks with winter control equipment.

### **Procurement By-law Permits Purchase**

By-law 02-2016 section 19 (a)(vi) allows for the negotiation of goods, where the extension of an existing contract would provide better value for the Region, specifically, when “the extension of an existing Contract would be more effective.”

As noted above, extending the existing contract with Rush Truck Centres of Canada Ltd. would be more effective given that the order can be fulfilled without delay supporting efficient service delivery and represents good value to the Region.

### **Alternatives Reviewed**

Alternative option: Proceed with a competitive procurement for the supply and delivery of seven (7) dump trucks with winter control equipment (Not Recommended).

This alternative would take longer, impacting service delivery, and is expected to cost more due to price increases in 2025.

### **Relationship to Council Strategic Priorities**

Effective Region: The regional road network is crucial for transporting goods across the Region, supporting businesses by ensuring efficient routing and minimizing travel times. The recommendations in this report aim to acquire essential equipment needed to maintain the road system in passable condition during winter conditions.

Prosperous Region: The current recommendation ensures clear access to transit, active transportation, and other transportation systems throughout the winter months. Safe passage supports the year-round operation of the regional road system, enabling the delivery of goods and services.

## Other Pertinent Reports

[PW 30-2024 Award of Contract 2024-T-148 – Supply and Delivery of 12 Dump Trucks with Winter Control Equipment](#)

(<https://pub-iagararegion.escribemeetings.com/Meeting.aspx?Id=77ac7964106e-48d5-83e6-dd2f3bfcbbceb&Agenda=Agenda&lang=English>)

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### Prepared by:

Derek McGaghey, C.E.T., PMP  
Associate Director, Transportation  
Integrated Services  
Public Works Department

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### Recommended by:

Terry Ricketts, P.Eng.  
Commissioner of Public Works  
Public Works Department

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### Submitted by:

Ron Tripp, P.Eng.  
Chief Administrative Officer

This report was prepared in consultation with Janet Rose, Communications Consultant Office of the Deputy CAO; Frank Tassone, Director of Transportation Services; Richard Daniel, Associate Director Transportation Operations; Brian McMahon, Program Financial Specialist; Renee Muzzell, Manager Program Financial Support; Brian Wilson, Legal Counsel and Michelle Rasiulis, Procurement Manager.