

PUBLIC WORKS DEPARTMENT

SPECIAL REPORT PW-084/09

Pre Budget Approval for the Replacement of Truck #3

Approved May 11, 2009

Mayor Holbrough and Members of Council

Background

In the 2009 Capital Budget, the Public Works Department budgeted for the replacement of trucks units #8 and #3 at a cost of \$198,357.00 each.

As part of the cuts to the Public Works Capital budget truck #3 was removed from the 2009 budget and moved to the 2010 Capital forecast.

Tenders for truck #8 closed April 30, 2009 with Peterbilt of London submitting the low bid of \$173,558.96. This unit is scheduled to arrive late September.

The tender bids we received from Peterbilt were low for two reasons. First the production of units is down so the manufacturer is actively seeking bids. Secondly Tenco who is the supplier of the snow equipment has just opened a facility in St. Thomas so they are bidding aggressively in this area.

In 2010 the emission regulations are changing for diesel powered trucks adding approximately \$9,000 to the cost of the unit along with 272 kilograms of weight.

Discussion

The writer approached the Treasurer to see if there would be monies in the Public Works Equipment Reserve to purchase truck #3 in September of 2009 and realize savings of \$24,799.00 plus the anticipated \$9,000.00 for the 2010 emissions.

The Treasurer reported there would be sufficient funds and supported the anticipated savings.

Recommendation

That the Public Works Department be given approval to purchase a replacement for truck #3 from Peterbilt of London for a cost of \$173,558.96 with funds coming from the Public Works Equipment Reserve.

Respectfully submitted

John Phillips
Superintendent