

File Category: FIN.PUR.VAG
File Folder: Purchasing Approval

DATE: March 3, 2014
TO: Mayor and Council
FROM: Ivan Boychuk, Fleet Supervisor
SUBJECT: **Approval for Purchase of Ladder Truck**

RECOMMENDATION: Council consider and resolve:

That the purchase of a 100 foot ladder truck for US\$929,900, plus applicable taxes, be approved, in accordance with policy FIN.24.

PURPOSE:

To seek Council approval for a purchase that exceeds \$250,000, as required by *Policy FIN.24 – Procurement, Stores, and Disposition*.

BACKGROUND:

District of Mission recently suffered a “total loss” fire on the only ladder truck in the fleet. At the February 17, 2014 regular meeting of Council, the following resolution was passed:

Moved by Councillor Nundal, and

RECOMMENDED:

1. That District of Mission accept Insurance Corporation of British Columbia’s (ICBC’s) offer of \$160,500 as the “write-off” amount for the 1996 Spartan 100 foot aerial platform ladder truck and this amount be deposited into the Vehicle and Equipment Reserve Fund;
2. That the \$800,000 currently budgeted for replacement of this unit be advanced from 2017 to 2014, and augment this amount with an additional \$450,000 from the Vehicle and Equipment Reserve Fund in 2014, for a total of \$1,250,000, to fund the purchase of a similar 100 foot aerial platform ladder truck; and
3. That the financial plan be amended accordingly.

CARRIED

DISCUSSION AND ANALYSIS:

Staff issued a Request for Information (RFI) document which closed on February 19, 2014, to solicit drawings, build sheets, pictures and budgetary pricing for a demonstrator 100 foot aerial platform ladder truck. The RFI was advertised nationally using BC Bid® and was open to all fire apparatus manufacturers. Guidelines given to suppliers included minimum 500 hp engine, platform design, 100 foot ladder, transmission retarder, and minimum angle of departure. Responses were received from three different suppliers as a result of the RFI, with prices ranging from US\$929,900 to US\$966,000.

A committee of staff reviewed the submissions, and the preferred proposal was the one presented by Safetek Emergency Vehicles Ltd. of Abbotsford, for a 2013 custom rear mount aerial ladder quint on a Spartan Gladiator chassis. Safetek's proposal was the lowest price of the three responses at US\$929,900, and staff have confirmed it meets all of the necessary specifications.

In accordance with *Policy FIN.24 – Procurement, Stores, and Disposition*, Council approval is required for all purchases over \$250,000.

FINANCIAL IMPLICATIONS:

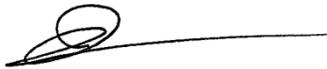
The base price of US\$929,900 is currently estimated at approximately CDN\$1,059,000 at current exchange rates. This does not include taxes and any minor work required to put the unit into service, although the final cost including these items is estimated to be well within the approved budget of CDN\$1,250,000. As payment isn't required until delivery, which is estimated to be within 60 to 90 days, staff will be monitoring exchange rates in an effort to reduce the foreign exchange risk where possible.

COMMUNICATION:

No communication action is required.

SUMMARY AND CONCLUSION:

Council recently approved a budget to replace Mission's only ladder truck. Following an RFI process, staff are seeking approval to finalize the purchase of the lowest priced truck that meets the necessary specifications, in accordance with Policy FIN.24.



or



Reviewed by:
Kris Boland, Manager of Finance



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Comment from Chief Administrative Officer
Reviewed.