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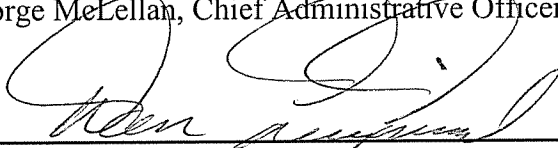
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**Halifax Regional Council**  
**February 03, 2004**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
George McLellan, Chief Administrative Officer

  
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Dan English, Deputy Chief Administrative Officer

**DATE:** January 19, 2003

**SUBJECT:** Award - Tender 03-120, Four (4) Compact Utility Tractors

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**ORIGIN**

2003-2004 Approved Capital Budget

**RECOMMENDATION**

It is recommended that Regional Council award Tender 03-120 be awarded to Nova International; the lowest bidder meeting specifications at a total contract cost of \$203,598.68 including net HST; from Capital Account No. CVD00413, Fleet Vehicle Replacement Program, with funding authorized as per the Budget Implications section of this report.

## **BACKGROUND**

A tender was issued on August 13, 2003, for the supply and delivery of Four (4) 2003/2004 Model 4X4 Compact Utility Tractors.

Real Property and Asset Management will be introducing new preventative maintenance strategies to improve turf conditions on playing fields this spring; utilizing green cart waste composts and an application method developed by Parks staff. The system has been very successful in trial runs, on selected fields, over the last two summers.

RPAM has identified utility (farm) tractors as the most efficient vehicle to perform the necessary procedures in our new field maintenance strategy. These tractors will replace existing trackless municipal tractors that have reached the end of their service life. The existing trackless municipal tractors were also used by Public Works and Transportation for snow removal. They have recently decided to replace this equipment with skid steer loaders to increase efficiency and reduce operational costs.

The purchase of the tractors will reduce operating costs by approximately \$20,000 per unit, per year, for the duration of its scheduled service life (approximately 15 years).

The Capital purchase is approximately 50 percent less than purchasing a trackless municipal tractor. This change in business will not only reduce the operating costs, but also free up money to replace other necessary fleet equipment.

## **DISCUSSION**

RPAM's Field Rehabilitation Program is currently being hampered by equipment that does not allow maximum efficiency. Specialized equipment will enable Parks to expand the Rehabilitation Program and apply maintenance practices necessary to sustain good quality turf on a greater number of HRM athletic fields. Regular turf maintenance consists of: aeration, fertilization, over seeding, top dressing, de-thatching, etc. This specialized equipment is crucial in providing a regular maintenance regime to develop and sustain quality turf and support our service delivery standards.

The average capital cost to reconstruct a Sportsfield is \$150,000. Using this new method we can rehabilitate the average field for a cost of \$5,500. This will reduce future capital costs and allow RPAM to direct resources to other priority capital projects.

The replacement cost of this new equipment is less than the cost of Trackless replacement and the Trackless machines currently in service are costing far too much to maintain. Retiring this costly equipment and purchasing new utility tractors will save considerable repair costs and increase efficiencies.

Average replacement cost of one Trackless \$ 100,000.00  
Average replacement cost of one Utility Tractor \$ 51,000.00

Tenders were sent to qualified firms for the above noted vehicle tender. The following bids were received, evaluated, and recommended by Fleet Services:

<b>Bidder</b>	<b>Total Price (including Net HST)</b>
<b>Nova International Ltd</b>	<b>\$203,598.68</b>
Myers Equipment	\$206,681.56

### **BUDGET IMPLICATIONS**

Based on the contract cost of \$203,598.68 including Net HST, funding is available in the 2003/2004 Approved Capital Budget under Account No. CVD00413, Fleet Vehicle Replacement Program as follows:

<b>Budget Summary</b>	<b><u>CVD00413, Fleet Vehicle Replacement Program</u></b>	
	Cumulative Unspent Budget	\$ 809,946.65
	<b>Less Tender 03-120</b>	<b>\$ 203,598.68</b>
	Balance	\$ 606,347.97

The availability of these funds have been confirmed by Financial Services.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

### **ALTERNATIVES**

Council could choose not to award this tender and direct staff to continue using the trackless vehicles which would result in increased costs and decreased efficiency. This is not the recommended alternative.

### **ATTACHMENTS**

None

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Approved by:

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