



Committee Report

To: Councillor Milt McIver, Chair and
Members of the Transportation & Environmental Services
Committee

From: Amanda Froese
Director of Transportation & Environmental Services

Date: May 19, 2022

Re: Tandem Axle Truck Surcharge

Staff Recommendation:

That up to \$15,000 from the Machinery and Equipment reserve be approved to be used to cover manufacturer surcharges received for the tandem axle truck that was awarded in December of 2021.

Background:

The Transportation and Environmental Services Department received a letter from the tandem truck manufacturer that requires the County to pay a surcharge of \$5,800 USD to cover costs they have/will incur due to increase costs of materials, fuel and the high rate of inflation. The letter is appended to this report.

The Corporate Services Department has been consulted on the letter regarding the legality of the ability of the manufacturer to apply a surcharge after the contract was awarded and it is felt that the County would suffer a greater loss of fleet reliability if we dispute the surcharge and are forced to retender.

It is the opinion of the department that if we disagree and therefore do not pay the surcharge, the tender/contract will be revoked by the vendor and the County will need to reissue the tender. If the project is retendered, the County will lose its place in the queue and expect not to receive a tandem truck until late in 2024. If the department does not receive a truck in 2022, we run the risk of having an insufficient fleet of tandem trucks (snow plows) which poses a risk to meeting our service levels.

The department is requesting approval for twice the amount of the surcharge as we believe there is potential for subsequent surcharges to follow in the upcoming months.

Financial/Staffing/Legal/IT Considerations:

There are no staffing, legal or IT considerations associated with this report. The T&ES Machinery and Equipment reserve was reviewed to ensure sufficient funds are available. The T&ES vehicle replacement plan has been adjusted to reflect the future costs of replacement vehicles as well as adjusting required input into reserve for future years.

Interdepartmental Consultation:

The Corporate Services Department were consulted on this report

Link to Strategic Goals and Elements:

Strategic Goal #5 - Eliminate Our Own Red Tape

Element A - All work processes designed for the fewest steps and easiest completion

Strategic Goal #6 - Explore Alternative Options to Improve Efficiency, Services

Element C - Look for Economy of Scale or Shared Services Among Our Departments and Our Communities

Element E - Eliminate duplication of Services

Report Author:

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Departmental Approval:

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