



# Staff Report to Council - for Direction

**Title:** Used Spray Patcher Purchase with Reserve

**From:** Adam Stanley, Director of Transportation and Environmental Services

**Date:** July 4, 2024

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## Staff Recommendation:

That the Transportation and Environmental Services budget be amended to include funding for a used spray patcher truck in the amount up to \$75,000 plus HST, to be funded from the Fleet Capital Reserve.

## Report Summary:

The current 2001 GMC 'spray patching' truck is due for replacement in 2025 as per the capital equipment replacement schedule. Staff have found that the price for a new spray patching truck is upwards of \$500,000. Staff have been investigating the feasibility of purchasing a used spray patcher vehicle in lieu of purchasing a new 2024 or 2025 model. The Government Surplus Auction site (GovDeals) currently has a 2013 Peterbilt COE 220 Road Patcher that would serve the County's needs for the next 5-10 years. Staff anticipate that the vehicle could be obtained for a maximum price of \$75,000.

Staff are seeking Council's approval to purchase a used spray patching truck in accordance with Section 7.3.h of the Purchasing Policy and to access funds from the department's Fleet Capital Reserve.

## Background:

The current 2001 GMC 'spray patching' truck has served the County well and is due for replacement in 2025 as per the capital equipment replacement schedule. This operation has applied an average of 24,000 litres of liquid asphalt annually on County and partner lower tier roads since 2002.

This road maintenance operation assists in the preservation and extension of County paved road asset life. There are delicate timing windows for this road maintenance operation with relation to humidity, temperature and wet weather.

Recently, Staff have been having trouble sourcing parts for the existing model due to the age and supplier of this specialty vehicle. In 2023 the spray patcher truck was out of commission for six (6) weeks during a prime operating window while waiting for replacement parts to arrive.

Staff have been involved in discussions with equipment suppliers of these specialty vehicles and have found that the price for a new spray patching machine is upwards of \$500,000. Staff have been investigating the feasibility of purchasing a used spray patcher vehicle in lieu of purchasing a new 2024 or 2025 model.

The Government Surplus Auction site (GovDeals) currently has a 2013 Peterbilt COE 220 Road Patcher that would serve the County's needs for the next 5-10 years. Staff anticipate that the vehicle could be obtained for a maximum price of \$75,000. The Minimum bid is set at \$35,000. The used unit purchase would assist in alleviating future capital equipment replacement budget pressures and allow staff to budget for a future replacement with a new vehicle in 5-10 years' time.

Staff are seeking Council approval to access funds from the department's Capital Fleet Reserve. The projected balance of this reserve, after the \$75,000 maximum purchase, would be approximately \$586,200. The target balance of the reserve is \$1,226,000, and staff will continue to propose opportunities to gradually build this balance over time. With the commitment to this purchase, the County could see an immediate savings of up to \$425,000 from what a new 2024 or 2025 model would cost. It is also worth noting that a new model has an annual cost impact of \$25,000 per year over 20 years, whereas this used purchase would come with a cost impact of \$7,500 to \$15,000 per year over the next 5 to 10 years.

**Financial/Staffing/Legal/IT Considerations:**

There are no staffing, legal or IT considerations.

The financial considerations have been outlined in the background of the report.

**Interdepartmental Consultation:**

The Corporate Services Department was consulted with the preparation of this report regarding financing and purchasing policy requirements.

**Link to Strategic Goals and Objectives:**

Growth and Innovation - Strengthen County's use of technology and innovative initiatives

**Link to Departmental Plan Goals and Objectives, if any:**

Deliver on the values of "service excellence".

**Report Author:**

Bill Hayes, Operations Manager

**Departmental Approval:**

Adam Stanley, Director of Transportation and Environmental Services

**Approved for Submission:**

Claire Dodds, Commissioner of Community Development