



Administrative Report

Office of the Director, Infrastructure & Planning Services

To: Warden MacDonald and Members of Essex County Council

From: Allan Botham, P.Eng.
Director, Infrastructure & Planning Services

Date: Wednesday, April 05, 2023

Subject: Road Grader Purchase Agreement

Report #: 2023-0405-IPS-R09-AB

Purpose

The purpose of this report is to provide County Council with results and recommendations for a contract to purchase a new road grader.

Background

The County of Essex currently owns and operates three road graders. Two of the graders are beyond the expected useful life. The oldest grader is a 1990 Champion and the second oldest grader is a 1994 Champion. Replacement parts for these Champion graders are no longer available. Parts must be custom fabricated to keep them running.

Discussion

Given the age of the Champion graders, and difficulties in obtaining parts to keep them in working order, the two oldest graders should be replaced. Administration recommends the replacement occur over two years. The 1990 Champion replaced in 2023 and the 1994 Champion in 2024.

Procurement Method – Group Purchasing Organization (GPO)

Section 10.0 of the County's Procurement Policy authorizes the participation in Buying Groups/Group Purchasing Organizations. Canoe Procurement Group of Canada is one of the largest public sector buying groups in the country and combines the purchasing power of over 5,000 public and not-

for-profit organizations throughout Canada. Canoe is uniquely positioned to offer members a wide range of trade-compliant goods and services at competitive prices.

Under Canoe's Heavy Construction Equipment Program, the County issued a request for quotation (RFQ) to five pre-qualified suppliers. Three compliant submissions were received and the low bid of \$459,900 (plus tax) was provided by a London Ontario supplier: Equipment Sales & Service Ltd.

Administration is seeking Council's approval to purchase a road grader, having satisfied the terms and intent of the Procurement Policy.

Financial Implications

A summary of the recommended purchase compared to the approved 2023 Budget is presented in Table 1.

Upon receipt of the new grader, the 1990 Champion grader will be disposed of. The estimated recovery from resale is estimated to be \$15,000. In accordance with our asset management plan, all revenue from the sale of surplus assets is contributed to the Corporation's Capital Reserve to support future replacements.

Table 1

Item	Cost (Incl. Net HST)
2023 Budget	\$588,000
Komatsu GD655 Road Grader	\$467,994
Budget Savings	\$120,006

Consultations

Procurement & Compliance Services

Recommendation

That Essex County Council receive Report 2023-0405-IPS-R09-AB and award a contract for the purchase of a Komatsu GD655 Road Grader, to Equipment Sales & Services Ltd., in the amount of \$459,900 (plus applicable taxes).

Approvals

Respectfully Submitted,

Allan Botham

Allan Botham, P.Eng., Director, Infrastructure and Planning Services

Concurred With,

Mary Birch

Mary Birch, Interim Chief Administrative Officer

Appendix Number	Title
N/A	N/A