

Staff Report



Infrastructure Services Department

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REPORT TO: Committee of the Whole

DATE OF MEETING: August 26, 2024

SUBMITTED BY: Matthew Lynch, Director Fleet, 519-741-2200 ext. 4679

PREPARED BY: Evan Zinn, Manager Fleet Planning, 519-741-2200 ext.4780
Ryan Hagey, Director of Financial Planning and Asset Management
Brad Palmer, Corporate Financial Advisor
Joshua Shea, Manager Forestry and Natural Areas Management

WARD(S) INVOLVED: All

DATE OF REPORT: August 14, 2024

REPORT NO.: INS-2024-370

SUBJECT: Pre-Approval to Purchase a 2025 Forestry Aerial Bucket Truck

RECOMMENDATION:

That the purchase of a 2025 forestry bucket truck be pre-approved with a budget of \$255,000 as outlined in report INS-2024-370.

REPORT HIGHLIGHTS:

- The purpose of this report is to obtain pre-approval of 2025 budget funding to procure a forestry aerial bucket truck to meet current operational requirements.
- Pre-approval is being sought to secure more favourable pricing, accommodate an on ground ready to deliver unit, avoiding the long production time due to supply chain challenges.
- This report supports the delivery of core services.

BACKGROUND:

One (1) additional forestry aerial bucket truck was requested during the 2024 Equipment Review process to help the City better manage its urban forest. Forestry requires a defined style of aerial truck platform based on its intended use of the unit. These units are custom built to meet operational requirements of reach and size to work within the right of way and woodlots of the municipality.

The Forestry request was deferred to the 2025 Equipment Review due to limited funding for new units and other competing priorities. At the time of deferral, it was expected this unit would be prioritized for approval through the 2025 Equipment Review Process.

This request is being brought forward mid-year as the City has a unique opportunity to purchase an aerial truck that meets its specifications and has already been manufactured (known as an “on ground” unit). This is especially important as the City’s most recent procurement of a similar unit occurred in 2022 and has yet to be delivered due to supply chain shortages and long lead times of both the aerial device and truck chassis. The procurement of an on-ground unit is seen as a strategic opportunity that provides financial savings in addition to the following benefits:

*** This information is available in accessible formats upon request. ***
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- Mitigating supply risks and price escalations
- Time savings in specification development and reduced engineering costs
- Time savings in contract administration through the entire build process
- Stabilizing the sourcing exercise
- Increased operational readiness.
- Reduced operational costs for equipment maintenance past lifecycle.

REPORT:

Supply chain and labor issues continue to impact the manufacturing of heavy truck chassis as well as aerial devices, which has led to unprecedented production lead times. In the past, production had been 10-14 months depending on size and complexity of the truck. Manufacturers have confirmed that the lead time on this type of apparatus is now 24-30 months from issuance of a purchase order.

Purchasing an on-ground unit removes supply chain risks completely. Staff are recommending the pre-approval of funding to allow the procurement of the aerial truck. This will provide the best possible opportunity to reduce costs and secure a unit for service. Any advanced funding approved in 2024 would be offset by the removal of this ask in the 2025 Capital Budget.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

The total cost of the aerial truck is \$255,000 and will be funded by the Equipment Reserve. This will increase the draw on the reserve in 2024 but reduce the draw in 2025 by the same amount.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

APPROVED BY: Denise McGoldrick, General Manager of Infrastructure Services