



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Sean McGhee, Director of Public Works
DATE: 13/08/2018
SUBJECT: Trackless MT5 Municipal Tractor purchase
ATTACHMENTS: GovDeals Datasheet

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receive the report of the Director of Public Works, dated August 13th, 2018 regarding the purchase of a 2006 Trackless MT5 Municipal Tractor for information;

EXECUTIVE SUMMARY

The 2018 Municipal Operating Budget included a \$101,760.00 capital allocation for the purchase of a used Municipal Tractor to replace the 1986 unit that is currently in service. These units retail new for approximately \$132,000 plus taxes and attachments.

During budget deliberations, it was determined that other options, including the purchase of a used or refurbished unit would be an acceptable measure to reduce the overall budget requirements.

A price quote of \$79,900.⁰⁰ was received from Trackless for a refurbished 2007 MT5 without attachments. While searching for additional pricing on used equipment, a clean 2006 unit with numerous attachments being sold by a neighbouring municipality was located on GovDeals.

Senior Public Works employees were sent to view the unit, which was located approximately one hour away, in order to determine the condition and maintenance history of the machine. Based on the outcome of their review, the decision was made to pursue the purchase of the unit.

As the existing procurement policy does not speak to the purchase of used equipment through auction, discussions surrounding the potential purchase took place in a meeting with the CAO, Treasurer, and the Director of Public Works. In light of the potential for significant savings, the decision to proceed was unanimously reached. The Reeve, as head of Council, was advised of our intent to proceed with bidding.

DISCUSSION

The final bid price for the unit was \$39,000.⁰⁰ Canadian plus a 5% Buyer's Premium and applicable taxes. The purchase included the 2006 Trackless MT5, Sweeper Attachment, Water Tank, Straight Blade, Snow Blower, Rear Sander, and High Chute.

This unit is scheduled to be utilized in the Village of Blyth and will replace the current Kubota tractor which has proven to be inadequate for sidewalk work. The Kubota unit will be surplus and sold on GovDeals once the MT5 is placed in service.

FINANCIAL IMPACT

This unit represents a savings of over \$38,950 plus taxes against the factory refurbished unit previously being considered. The additional attachments represent a further savings of several thousand dollars and are in much better condition than many of the currently owned items.

Net cost of the purchased unit, including tax and buyers fee is \$41,670.⁷² which is \$60,089.²⁸ under the budget amount.

FUTURE CONSIDERATIONS

None at this time.

RELATIONSHIP TO STRATEGIC PLAN

This project relates to **Goal No. 4** of the Strategic Plan in that the administration is fiscally responsible and strives for operational excellence,



Sean McGhee, Director of Public Works



Dwayne Evans, CAO