
HALDIMAND COUNTY

Report FLE-01-2021 Unscheduled Replacement Purchase of Damaged Engineering Vehicle

For Consideration by Council on April 26, 2021



OBJECTIVE:

To obtain approval for the unscheduled replacement purchase of a compact cargo van for the Engineering Division due to a vehicular accident.

RECOMMENDATIONS:

1. THAT Report FLE-01-2021 Unscheduled Replacement Purchase of Damaged Engineering Vehicle be received;
2. AND THAT the acceleration of the replacement of unit 12-0222 class 2c van as outlined in Report FLE-01-2021 be approved;
3. AND THAT the revised capital budget amendments as outlined in Report FLE-01-2021 be approved.

Prepared by: Mike Fagan, Manager, Fleet Operations

Respectfully submitted: Philip Mete, P. Eng., General Manager of Public Works Operations

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

Staff are seeking approval to accelerate the purchase of a class 2c utility van currently scheduled for replacement in 2022, for use by the Engineering Division. The replacement is required due to the 2012 van being involved in a motor vehicle accident and sustaining significant damage. The County has received a cash settlement from the insurer and after consideration of the age, model, mileage, replacement schedule and overall condition of the van, staff determined that it did not make economical sense to repair and that the acceleration of the replacement was a better investment. In order to proceed with this purchase, a budget amendment is required to the 2021 Tax Supported Capital Budget and Forecast as outlined within this report.

BACKGROUND:

On March 15, 2021 engineering van unit #12-0222 was involved in an accident on Highway 56 and Indiana Road, Cayuga. The van is a 2012 Dodge Caravan with approximately 155,000 km, on a ten-year life cycle and scheduled to be replaced in 2022. The van was at a complete stop, with the turn signal on waiting to turn east onto Indiana Road when it was rear ended by another vehicle. Police attended and no charges were laid against the County employee, and the accident was deemed non-preventable by the County's Vehicle Accident Review Committee.

The insurers for both parties agreed that the County was not at fault, which triggered the Direct Compensation coverage applicable under the County's automobile policy. This resulted in a cash

settlement of \$14,947.30 (minus towing costs) to the County. Staff reviewed the options of repairing the van versus utilizing the settlement dollars towards the purchase of a new vehicle. After consideration of the age, model, mileage, replacement schedule and overall condition of the van, staff determined that it did not make economical sense to complete the extensive repairs and that the acceleration of the replacement was a better long-term investment.

ANALYSIS:

The Engineering Division utilize this vehicle daily to carry staff, equipment and tools to perform light surveying duties, construction layouts, inspection and contract management of engineering projects (roads, bridges, retaining walls etc.). During regular activities staff need to enter construction sites and may encounter rough terrain that is not conducive for County staff to use their own personal vehicle. The quick replacement of this van is to ensure continuity of engineering projects. This van is used daily during the normal construction season (February through November) and has significant use (greater than 50%) for the remainder of the year.

On April 13, 2021 a Request for Quotation (RFQ), FLE-09-2021 was issued for a replacement compact cargo van with a closing date of April 20, 2021 with award of the RFQ subject to Council approval of the request for a budget revision as noted in this report. Four local dealers were invited to participate in the RFQ. Due to the ongoing pandemic, a recovering supply chain, a high demand for work vehicles and accompanied by a low supply, only one dealer was able to supply a replacement vehicle meeting the County's specifications.

Winegard Motors Limited, 140 Argyle Street South in Caledonia, submitted a bid of \$31,244 plus applicable taxes. Fleet is anticipating that some of the equipment storage units can be retrofitted and reused in the replacement van but additional funds will be required to outfit the vehicle with a cargo divider and emergency lighting. It is expected that the total cost for this vehicle will be within the determined \$35,000 capital cost for a replacement vehicle in this class (2c) which is currently budgeted in year 2022.

The County has received a settlement offer of \$14,947.30, (minus towing costs) for the damaged van. Staff are recommending to accelerate the capital replacement of unit 12-0222, from the 2022 replacement schedule. Once approved, all future replacements will be adjusted to reflect the 2021 purchase.

FINANCIAL/LEGAL IMPLICATIONS:

As outlined in the report, an amendment to the Approved 2021 Tax Supported Capital Budget and Forecast will be required. A new project in the amount of \$35,000 will be created, with funding from both the Insurance Reserves and CRR Other Fleet being used to fund the project. Any funds received for the disposal of the damaged unit, will be returned to CRR Other Fleet. As a result of the accident, a write down will occur on Asset 8762 and it will be removed from service in our tangible capital asset (TCA) inventory.

	Current Approved Budget	Proposed Revised Budget
Expenditures:		
Vehicle Replacement – Class 2c	\$0	\$35,000
Total Expenditures:	\$0	\$35,000
Financing:		
Insurance Reserve	\$0	\$14,800
CRR Other Fleet	\$0	\$20,200
Total Financing:	\$0	\$35,000

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

ATTACHMENTS:

1. None