



# City of Port Moody

## Report/Recommendation to Council

Date: October 14, 2020  
Submitted by: Engineering and Operations Department – Solid Waste, Fleet, and Shared Services Division  
Subject: Expedited Fleet Replacement Request

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### Purpose

To seek early approval to expedite the replacement of two Operations fleet assets:

1. OP036 – 2011 Ford F550 Aerial Lift Truck; and
2. OP023A – 2011 Ford F550 4x4 Dump Truck Equipped with Snow and Ice Removal Equipment.

Both units have reached their forecasted end of lives. Previously, staff identified the replacement of these units for consideration through the 2021 budget planning process.

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### Recommended Resolution(s)

**THAT \$65,000 be approved from the Equipment Replacement Reserve to fund the 2020 replacement purchase of one Ford F550 chassis including the refit of existing Hybrid Aerial Lift Body as recommended in the report dated October 14, 2020 from Engineering and Operations Department – Solid Waste, Fleet, and Shared Services Division regarding Expedited Fleet Replacement Request;**

**AND THAT \$150,000 be approved from the Equipment Replacement Reserve for the 2020 replacement of one F550 4x4 Dump Truck.**

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### Background

Two units, OP036 – 2011 Ford F550 Aerial Lift Truck and OP023A – 2011 Ford F550 4x4 Dump Truck, are scheduled for replacement in 2021; however, due to limited availability and a recent catastrophic failure, Fleet Services requires early approval to proceed with the purchase of a replacement chassis as soon as possible, and to secure an additional replacement unit prior to the end of 2021.

### Discussion

Staff are currently developing a draft 2021-2025 budget for Council consideration. During this process, the Fleet Services Division works closely with the Financial Planning Division to ensure that vehicles and equipment are either replaced or extended based on their use, planned useful

life, departmental needs, and overall condition of the asset. Additionally, on an annual basis, staff conducts extensive research to ensure that the replacement values on the replacement schedule reflect current actual replacement costs. Market fluctuations due to changes in the value of the Canadian dollar versus the American dollar greatly influence this process as most equipment and vehicle chassis are built or assembled in the US or off-shore. This annual revision is a key component of the budget planning process.

#### OP036 – 2011 Ford F550 Aerial Lift Truck

As part of the 2021 budget planning process in early July of 2020, Fleet Services had identified OP036 - 2011 Ford F550 Aerial Lift Truck as a candidate for extending its useful life and was confident at that time that the truck's useful life could be for an additional year before being re-evaluated. Unfortunately, in the last week of September 2020, the diesel motor of this truck experienced a catastrophic failure, which has left Operations without the use of this critical piece of equipment. This truck is currently assigned to the City electrician who performs various maintenance tasks that require the use of the aerial lift body. This work includes, but is not limited to the following:

- street light maintenance;
- facility maintenance;
- tree/vegetation maintenance (sight lines, hazardous tree maintenance); and,
- supporting other initiatives like hanging signs and banners when needed.

Currently there are three (3) options to consider:

1. Recommended Option – Chassis Replacement - \$65,000, which includes the purchase of a new gasoline powered chassis along with the removal and installation of the existing aerial lift body onto the new chassis. This option will extend the useful life of this unit by 5-8 years. The 2020 costs associated with this option are as follows:
  - a. \$48,600 (tax included) for a 2020 F550 4x2 Regular Cab chassis
  - b. \$16,400 (tax included) for the removal and installation of the existing aerial lift body. This also includes the replacement hydraulic (PTO) motor which is the heart of the unit.
2. Engine Replacement – \$25,000-\$30,000, which includes replacing the existing motor with a new unit. This option is not recommended for the following reasons:
  - a. the existing chassis is 10 years old; and
  - b. the addition of a new motor will only allow for 1-2 years of additional life due to the fact that other major components (transmission, body components, etc.) may fail and may lead to additional points of failure.
3. Full Replacement – \$160,000-\$190,000, which includes the purchase of a replacement truck and an interim rental unit. Lead time for a replacement unit can take 6-12 months and will require an additional \$3,000/month in rental fees (totaling \$18,000 to \$36,000) for a similarly equipped rental unit. The majority of costs associated with this option would be incurred in 2021.

### OP023A – 2011 Ford F550 4x4 Dump Truck

As part of the 2021 budget planning process in early July of 2020, Fleet Services identified OP023A, front mounted plow, and sander to be replaced as planned in 2021 according to the established replacement schedule. Based on the truck's current condition, it is not advisable to extend this truck beyond the 2020-2021 winter season for snow and ice duties due to high maintenance costs associated with that type of work.

Staff have recently been advised by a supplier that there will be limited availability for replacement chassis in 2021. The reason given is that Ford will be re-tooling for production of 2022 units in early 2021, which will impact availability. Conventional 2021 chassis (4x2) may still be available until January 21, 2021. The chassis requirements for this truck are a special order, and Ford will not be guaranteeing orders for custom 2021 chassis after December 31, 2020. If staff wait until December 31, 2020, the department may miss the opportunity to order a 2021 chassis and, as a result, will need to order a 2022 chassis, which may not be available for delivery until after August 31, 2021 at the earliest. The unique characteristics of the replacement truck include but are not limited to the following:

1. 4x4 drivetrain;
2. chassis length;
3. higher payload capacity; and
4. winter road maintenance package.

Based on this information, Fleet Services Division recommends early approval for the purchase of a replacement truck and associated snow removal equipment at the cost of \$150,000. Early approval will help ensure that Operations will receive a new and fully-operational truck prior to the 2022 winter season.

### Other Option(s)

1. THAT \$30,000 be approved from the Equipment replacement reserve to fund the purchase and installation of one replacement diesel engine for the existing 2011 F550 Aerial lift truck;

AND THAT \$150,000 be approved from the Equipment Replacement Reserve for early replacement of one F550 4x4 Dump Truck as recommended in the report dated October 14, 2020 from Engineering and Operations Department – Solid Waste, Fleet, and Shared Services Division regarding Expedited Fleet Replacement Request.

2. THAT \$190,000 be approved from the Equipment Replacement Reserve to fund the purchase of one replacement F550 Aerial Lift Truck;

AND THAT \$150,000 from the Equipment Replacement Reserve be approved for early replacement of one F550 4x4 Dump Truck as recommended in the report dated October 14, 2020 from Engineering and Operations Department – Solid Waste, Fleet, and Shared Services Division regarding Expedited Fleet Replacement Request.

## Financial Implications

Financial implications are outlined in the Discussion section of the report. Sufficient funds have been set aside in the Equipment Replacement Reserve for the replacement these two pieces of equipment.

## Communications and Civic Engagement Initiatives

No communications or civic engagement are required at this time.

## Council Strategic Plan Objectives

Receiving additional funding and early approval to purchase two Operations medium duty trucks meets Council's Strategic Plan objectives of delivering exceptional service and continued economic prosperity.

## Report Author

Paul LeBlanc

Manager of Solid Waste, Fleet, and Shared Services

## Report Approval Details

Document Title:	Expedited Fleet Replacement Request.docx
Attachments:	
Final Approval Date:	Oct 19, 2020

This report and all of its attachments were approved and signed as outlined below:

Jeff Moi, General Manager of Engineering and Operations - Oct 14, 2020 - 5:48 PM

Dorothy Shermer, Corporate Officer - Oct 16, 2020 - 12:22 AM

Rosemary Lodge, Manager of Communications and Engagement - Oct 16, 2020 - 6:44 PM

Paul Rockwood, General Manager of Finance and Technology - Oct 17, 2020 - 7:00 PM

Tim Savoie, City Manager - Oct 19, 2020 - 9:34 AM