



## Fire Services Staff Report

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Report Title:	Heavy Rescue Fire Apparatus Vehicle Purchase for Conestogo
Report Number:	A10-2023
Author:	Dennis Aldous, Fire Chief
Meeting Type:	Council Meeting
Meeting Date:	October 24, 2023
File:	N/A
Consent Item:	No
Final Version:	Yes
Reviewed By:	Richard Petherick, Director of Finance and David Brenneman, Chief Administrative Officer
Final Review:	Chief Administrative Officer

### Recommendation:

That the Council of the Township of Woolwich, considering Report A10-2023 respecting the purchase of a new Heavy Rescue Fire Apparatus for the Conestogo Station give pre-budget approval of \$1,169,862.46, net of HST rebate, for the purchase of a new KME Heavy Rescue Fire Apparatus from Metz Fire and Rescue to be delivered and paid for in 2026.

### Background:

The purchase of the Conestogo Heavy Rescue was deferred in the 2021 Capital Budget replacement schedule and to be purchased in 2023, which put the purchase outside of the 20-year vehicle replacement program as established by Council. The Conestogo Fire Station currently operates with a pumper/tanker, heavy rescue, and a pickup truck. The new heavy rescue will replace the current heavy rescue and the pickup truck.

A Fire Truck Committee made up of representatives from the Township of Woolwich's six fire stations developed the specifications for the Heavy Rescue Vehicle which addresses the needs of the Conestogo Fire Station in the short and long term. The recommended vehicle purchase is a KME Severe Service Heavy Rescue Truck with storage for bunker gear, water rescue equipment and auto extrication tools. This vehicle replaces an outdated heavy rescue unit and will enable Woolwich's Conestogo Station to continue to provide appropriate emergency service delivery for the community.

Fire Department vehicle specifications are reviewed before every vehicle purchase. This is to ensure that all replacement vehicles will meet all current specifications and

requirements stipulated by Transport Canada, Underwriters Laboratories of Canada and National Fire Protection Association standards. The Heavy Rescue vehicle replacement was identified to occur in 2024 and the included as part of the 2023 Capital Budget at a cost of \$900,000.

### Comments:

Knowing that heavy rescue equipment has skyrocketed in price over the past few years, staff looked to leverage the Township's purchasing power and used a procurement group called Sourcewell / Canoe. Sourcewell / Canoe is one of the largest co-operative purchasing groups in the country and they provide a streamlined procurement process that is permitted under the Township's current Purchasing By-law (Section 52) while offering an economy of scale that would not be available under a typical Township Request for Quotation process. While the Township would normally undertake an RFP process for this type of purchase, utilizing this co-operative purchasing program has allowed staff to directly engage in discussions with the vendor which allows both sides to understand the exact magnitude of this purchase.

The increase in pricing is impart due to the annual increase issued by the manufacturer of approximately 12 % and the elimination of the Cummins L9 diesel motor and Cummins is replacing it with the more expensive X12. The expected delivery date of the Rescue will be 28 to 36 months from the date of ordering.

### Interdepartmental Impacts:

None

### Financial Impacts:

Budget Allocation 2024 Capital Forecast

\$ 900,000.00

Metz Fire and Rescue Quote	\$ 1,149,629.00
HST	\$ 149,451.77
Sub total	\$ 1,299,080.70
HST rebate	\$ 20,233.47
Total	\$ 1,169,862.40

**Deficit**

**\$ -269,862.40**

As Council is aware the funding available in the Equipment Reserve Fund is a concern for staff given the significant price escalation for our fleet replacement. Staff will be proposing to significantly increase annual contributions to the Equipment Reserve Fund to help fund these price increases however we may need to borrow funds if the Reserve Fund balance is insufficient.

#### Pre Payment-Discount Amount of Contract

New for 2023, Fire Truck Manufacturers are offering the option or requirement to put down a deposit at the time of ordering in return there is a discount applied to the purchase and they will guarantee the price at delivery. Currently with KME this is just an option, and they are offering the following discount options for this specific truck.

Pre-Paid Amount	Discount Offer
100 %	\$ 97,750
90 %	\$ 87,976
75 %	\$ 73,313
50 %	\$ 48,875
25 %	\$ 24,438

Staff are not recommending that we take advantage of this option due to the interest income we currently earn will more than offset the discount being offered.

The 2001 Freightliner Heavy Rescue and the pickup will be declared surplus and committed to the auction process when the Fire Department receives the new vehicle from Metz. Funds from the sale will be deposited back into the Equipment Replacement Reserve Fund.

#### **Strategic Plan Impacts:**

##### Fiscally Responsible and Sustainable Community

With maintenance cost on the rise and the availability of replacement parts becoming scarce, the replacement of the truck enhances our ability to be fiscally responsible and maintain a sustainable service to the community.

##### Best Managed and Governed Municipality

By maintaining our fleet of fire trucks gives us the ability to serve the community and keeping with the ever-changing dynamic of the Township.

**Conclusion:**

Staff recommends that Council support the purchase of the Heavy Rescue Vehicle for the Conestogo Fire Station from Metz Fire & Rescue at a total cost of \$1,169,862.00, after HST rebate, to be delivered within 28 – 36 months from receipt of order.

**Attachments:**

1. Quote from Metz Fire and Rescue