

Region of Waterloo

Corporate Services

Treasury Services (Procurement)

To: Regional Council

Meeting Date: May 22, 2024

Report Title: Procurement of three (3) Volvo L150 Loaders

1. Recommendation

That the Regional Municipality of Waterloo approve the replacement of three (3) Volvo L150 Loaders from Strongco Corporation at an estimated cost of \$2,228,400.00 subject to the applicable US/Canadian dollar exchange rate in effect at the time of order plus all applicable taxes as set out in report COR-TRY-24-015 dated May 22, 2024.

2. Purpose / Issue:

For Purchase by Negotiation (Sole Source) - Purchasing by-law 22-034 Section 8 item 2b requires Council approval for negotiated acquisitions if the value of the acquisition exceeds \$2,000,000.

3. Strategic Plan:

Award of this contract meets the 2023-2027 Corporate Strategic Plan: Climate-aligned growth: As we grow, we will support a healthy environment where communities can thrive. Through intentional collaboration and creativity, we will support sustainable community growth priorities.

4. Report Highlights:

- The Region of Waterloo Waste Management Division operates five (5) Volvo L150 loaders at the Waterloo and Cambridge landfill sites. Three (3) Loaders are scheduled for replacement in 2024, and the replacement received pre-budget approval as set out in report COR-FFM-23-002 dated August 15, 2023.
- Section 21(1)(i) of the Purchasing By-law allows for acquisition by negotiation where the acquisition is required or is beneficial in regard to the standardization of goods or services for the Region. Strongco Corporation sells, rents and services equipment used in diverse sectors such as construction, infrastructure, mining, municipalities, waste management and forestry.

- There is sufficient funding in the Region's 2024 Capital Budget for the acquisition.

5. Background:

The Region of Waterloo Waste Management Division operates five (5) Volvo L150 loaders at the Waterloo and Cambridge landfill sites. Three (3) Loaders are scheduled for replacement in 2024, and the replacement received pre-budget approval as set out in report COR-FFM-23-002 dated August 15, 2023.

Waste Management performs a wide range of operational activities with the loaders. Consistency in loader functionality, including automatic parallel lift and flexibility in interchangeability with the existing solid tire solution and equipment attachments allows the Region to reduce acquisition and retrofit costs, optimize efficiency, enhance safety, and eliminate operator and technical staff re-training. The automatic parallel lift is an important feature to Waste Management operations and is a proprietary Volvo patented design.

These loaders come with an automated parallel lift safety feature that enables the bucket or forks to stay parallel to the ground while being lifted. This proprietary feature is automated and provides significantly safer handling of materials that are being lifted by buckets or forks.

The replacement of the three (3) Volvo L150 Loaders ensures continuity with the existing service agreement requirements for Waste Management maintenance and operational repairs of the equipment. The loaders at both waste sites are the same class of loader, providing the same level of ability and controls, resulting in safer operation.

Justification for Sole-sourcing: Section 21(1)(i) of the Purchasing By-law allows for acquisition by negotiation where the acquisition is required or is beneficial in regard to the standardization of goods or services for the Region. Strongco Corporation sells, rents and services equipment used in diverse sectors such as construction, infrastructure, mining, municipalities, waste management and forestry. The Volvo product has proven to be cost effective and reliable over the life cycle of the Waste Management loaders. Strongco also provides a comprehensive service maintenance agreement, which is invaluable in the support of operating, maintaining and troubleshooting equipment issues, thereby reducing operational downtime, tooling and overall operational cost.

6. Communication and Engagement with Area Municipalities and the Public

The purchase of these vehicles is for internal waste management operations.

7. Financial Implications:

Three (3) Volvo Loaders	\$2,228,400
Plus: Applicable Net HST of 1.76%	<u>39,200</u>
Total	<u>\$2,267,600</u>

Note: All figures are rounded to the nearest \$100.

The Region’s approved 2024-2033 Waste Management Capital Program includes a budget of \$4,887,500 in 2024 vehicle replacements (project #1007) to be funded from the Corporate Fleet Replacement reserve. Spending and commitments in 2024 for this project total \$441,000, leaving a balance of \$4,446,500 to cover the costs of this award.

The 5-year maintenance agreement is estimated to be \$410,000 (approx. \$27,300 per unit per year). The Waste Management Operating Budget will be able to accommodate this cost.

8. Conclusion / Next Steps:

Subject to Council approval, the loaders will be ordered as soon as possible to ensure timely delivery to Waste operations in 2024, as supply chain issues continue to impact deliveries.

9. Attachments:

Nil.

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