



## REQUEST FOR DECISION

File # 1220-20,

Report To: Mayor and Council  
From: Director of Public Works and Utilities  
Presenter: Jeremy Garner  
Subject: Administration Report No. 0137/23  
2023 Capital Purchases Utilizing Group Purchasing  
Meeting: Regular Council  
Meeting Date: 11 Dec 2023

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### RECOMMENDATION:

"THAT, Council receive Administration Report No. 0137/23 - 2023 Capital Purchases Utilizing Group Purchasing for information"

### CAO'S COMMENTS:

This report speaks to the generally positive experience the City of Fort St. John has had with Group Purchasing Organizations because of advantageous pricing, and less labour intensive procurement processes. During the recent and continuing period of higher inflation we have benefited from price stability and confidence that our procurement is coming in close to the best price available on the market.

### ALTERNATIVE RECOMMENDATION:

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### KEY ISSUES(S)/ CONCEPTS DEFINED:

This report outlines three capital purchases made via GPO through Canoe/Sourcewell and one through Kinetic. All 2023 purchases were made within the 2023 Council Approved Capital Budget and were replacements for assets the City currently owns, with each asset having reached end of life.

RELEVANT POLICY: City Purchasing and Tendering Policy No. 22/22

## IMPLICATIONS OF RECOMMENDATION

### COMPLIANCE WITH STRATEGIC PILLARS:

**Managing Assets – Build and manage assets that support the current and future needs of the community.**

### COMPLIANCE WITH STRATEGIC PRIORITIES:

#### GENERAL:

**The 2023 fiscal year is the first season a GPO has been utilized for purchasing in Public Works. The feedback on the process has been positive and purchases have generally been at or under budget. The ease of contacting suppliers and getting pricing without having to do a detailed RFP or tender process is beneficial. We have purchased many items in the Capital and Operating Budgets including heavy equipment, vehicle tires, office supplies, and playground equipment to take advantage of this pricing advantage.**

The City's purchasing policy was recently amended to allow for, and encourage, the use of GPO's to obtain goods and services. There is significant cost saving to be recognized through using group purchasing. The City is a member of two GPO's with Canoe/Sourcewell Procurement Group of Canada being one of the largest cooperative purchasing groups in the country. Canoe/Sourcewell and Kinetic are both able to provide cooperative purchasing that streamlines the procurement process while satisfying all legal purchasing requirements for municipalities.

Government organizations, schools and nonprofit organizations who apply, are provided with free memberships to purchase using the respective group purchasing co-operative agreements. With the buying power of more than 50,000 agencies, the trusted partners assists nonprofits, governments and education systems purchase more efficiently. In operation since 1936, the purchasing group was created by its membership specifically to support member organizations through mutually beneficial, trade compliant relationships with suppliers. In short, the purchase price for an item in Fort St. John is basically the same as all members in the GPO across the country and thus recognize considerable savings.

"Some of the benefits of partnering with a GPO are as follows:

- | Saves time and effort. We can reduce the work needed to obtain a high-quality contract to maintain your vision without sacrificing quality for the lowest price. The group purchasing process takes care of the complicated aspects of bidding to provide a simplified solution.
- | Increase response quality. Group purchasing partners only with trusted vendors that have experience and integrity. The responses receive through partners feature high-quality service, products and bids.
- | Work with the resources you have. Nonprofit, educational and government organizations need to make the most of their staff and resources. Since the group purchasing agent takes on much of the work associated with purchasing, you can maximize your assets.
- | When purchasing through group suppliers, members quote their membership price and by default the pricing is always lower than pricing quoted to non-members. The Request's for Proposals (RFP) are provided by each supplier and scored by the GPO to ensure they meet the minimum specifications."

Date	GPO	Supplier	Equipment	Price	W/PST	Budget
08-May	Canoe	Brandt Tractor Ltd	Motor Grader	\$ 499,000.00	\$474,880.00 incl trade	\$ 500,000.0
22-Feb	Canoe	Finning Canada	Cat Excavator	\$ 250,939.42	\$ 268,505.18	\$ 310,000.0
29-Aug	Canoe	Rentco Equipment	Bobcat Toolcat	\$ 89,561.16	\$ 95,830.44	\$ 105,000.0
04-Apr	Kinetic	Park n Play	Playground	\$ 378,734.30	\$ 405,245.70	\$ 565,000.0

#### Motor Grader

The Public Works department currently operates and maintains a fleet of four motor graders. These motor graders are used in a year-round capacity primarily for roadway and back alley maintenance. During the winter months, the motor graders are equipped with snow gates and or wings and used to clear snow and ice from the roadways. They operate in all areas of the City including on paved and gravel roadways. While in use during the summer months, motor graders are utilized for gravel lane and roadway maintenance including the shaping and smoothing of the gravel surface as well as spreading of new gravels or aggregates.

The City strives to maximize efficiency and capability when selecting equipment for its fleet. As equipment ages, the cost to operate and maintain it increases annually and as such, the equipment must be replaced. One of the City's graders has reached end of life and requires replacement as the operation and maintenance costs have steadily increased.

The requested quote outlined an option for bidders to include a trade in value for the existing units. The City accepted the "as is" trade in value of \$75,000 for the existing motor grader in order to offset the purchase price of the new machine.

#### Rubber Tracked Excavator

The Public Works Utilities Departments utilized the rubber tracked excavator for a majority of excavations for utility repairs in the City. The excavator is utilized in excavating soil for water and sewer repairs as well as storm ditching and storm line repairs. This particular excavator has rubber tracks which allow it to operate on most surfaces by causing little or no damage to areas of asphalt, concrete, gravel and boulevards. This particular model 310 excavator is moderately compact and enables crews to get into tight areas of alleys, boulevards and between building without sacrificing digging depth or power. It's near zero turning radius means it can turn nearly within its own footprint and making loading soil and moving equipment easier.

The existing excavator was sold at public auction and \$41,107.00 from the sale will be used to offset the purchase price.

#### Bobcat Toolcat

The City currently operates a fleet of five Bobcat 5600's for sidewalk, trail, arena and street maintenance. These machines are versatile and can accommodate most attachments commonly used on Bobcat skid steers. Crews interchange attachments such as blades, blowers, buckets, brooms and brush cutters. The 5600 is a four-wheel drive and four-wheel steer machine that has a small loader mounted on the front with a dump box on the rear. In the winter, these machines clear snow and spread salt/sand on sidewalks and parking lots and in the summer the machines work in parks with mowers, or hauling and spreading dirt. The machines are quite versatile and can be operated by labourers and equipment operators alike. The 5600 is narrow enough to operate on some sidewalks and all trails, as well as being able to perform work on streets and in parking lots. **The existing 5600 Toolcat was sold at public auction and \$20,020.00 from the sale will be used to offset the purchase price.**

#### Mathew's Park Playground Equipment

The 2023 Capital Plan outlined funds to replace the aging park playground equipment in 2023. The Parks and Recreation Master Plan outlines parks with playgrounds and their suggested replacement schedule. Mathew's Park playground equipment was identified as the playground equipment was reaching end of life and becoming difficult to source replacement parks.

An engagement process was undertaken by the Communications department to seek feedback from users and potential users. The playground equipment selected was chosen to match the feedback from the

public. All the City playgrounds are inspected regularly and the City maintains a number of staff who are certified playground inspectors through the Canadian Playground Safety Institute. The replacement equipment was sourced from Parkworks who are members of the Kinetic GPO. A deposit of 50% was paid in April 2023 and the balance paid in September 2023.

The existing playground equipment removed from the park was recycled where possible and not disposed of at public auction.

**ORGANIZATIONAL:**

To advise Council that Canoe Procurement was used to procure items in accordance with Council Policy No. 22/22 City Purchasing and Tendering Policy.

**FINANCIAL:**

**FOLLOW UP ACTION:** The Heavy Equipment and Parks equipment will be managed as part of the Fleet and Parks Asset Management Plans respectively.

**COMMUNITY CONSULTATION:** Community consultation on Kin Park improvements

**COMMUNICATION:**

**DEPARTMENTS CONSULTED ON THIS REPORT:**

Public Works

Fleet

Parks

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**Attachments:**

**RESPECTFULLY SUBMITTED:**

Jeremy Garner, Director of Public Works and Utilities

29 Nov 2023