



## TOWNSHIP OF EDWARDSBURGH CARDINAL ACTION ITEM

**Committee:** Regular Council Meeting

**Date:** April 26, 2021

**Department:** Public Works

**Topic:** 1989 Grader Replacement Options

**Purpose:** To review the Grader Service Request for Quotation, (RFQ), and recommend replacement of the grader

**Background:** This unit is experiencing drive chain/wheel locking issues as well as requiring replacement tires. The return on investment for the Township is not existent due to the age of the unit which is 32 years old and has logged 14,697 hrs. The unit has served the Township well but has reached and exceeded its expected useful life of 12 years as per the Township's TCA policy.

At the April 12<sup>th</sup> Committee of the Whole Admin. Finance meeting, Staff provided a report recommending that Council consider the purchase of a 2020 Case loader and provided some finance options. After discussion among Committee members, Staff was directed to investigate the possibility of contracting the services of the grader and report back within 30 days. A Request for Quotation was developed and sent out to seven (7) potential service providers. Only two responses were received and both had indicated that they require their equipment for the upcoming construction season so would not be able to offer the service.

Staff has been able to locate 2 units, a 2018 John Deere and a 2020 Case model. Both units would meet the needs of the Township. See attached chart for more details. The 2020 Case demo model is the preferred choice based on the lower purchase price and more of the original factory warranty available.

**Policy Implications:** Council approval is required to proceed with any expenditure that is not part of the current approved budget or within approved estimates. An amendment of the budget would be required to add this capital purchase.

**Financial Considerations:** The purchase or financing of the unit was not part of the 2021 approved budget. This capital addition would require some adjustments to the 2021 budget to finance this unit and the road resurfacing project.

**Option 1: Outright purchase**

The \$180,297.00 taxation supported road resurfacing funding can be used to partially fund the purchase of the grader. The road resurfacing project can be funded with the additional federal gas tax top-up funding. The purchase of equipment is not an eligible cost under the federal gas tax agreement. A transfer from the Public Works reserve would fund the remaining purchase price of the grader

**Option 2: Financing purchase**

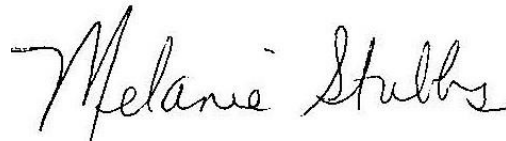
Staff has received a 3year financing interest rate of 1.69% through RBC. There are a range of options based on down payment.

**Recommendation:** That Municipal Council amends the 2021 budget and authorizes staff to proceed with the purchase of the 2020 856C AWD Case Motor Grader through J.R. Brisson Equipment for a total of \$295,000.00 + non-rebated HST. And Council exercise loan financing option 2 which includes a down payment of \$100,000.00 and loan payments of \$45,655.68 in 2021, \$68,483.55 in 2022 and 2023, and \$22,827.84 in 2024 for a total cost of \$305,450.56.



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Director of Operations



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Treasurer



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