

# **THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS**

## **STAFF REPORT**

**DATE:** April 8, 2025  
**TO:** Committee of the Whole  
**FROM:** Cory Smith, Director of Roads and Public Works  
**SUBJECT:** Award of Tender 25-06 – Front End Loader

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### **RECOMMENDATION:**

**THAT the Committee of the Whole recommend Council Approve Award of Contract for Tender 25-06 for the purchase of a Front End Loader to Nors in the amount of \$285,700.00 plus HST.**

**AND THAT the funds in the amount of \$20,000.00 from the sale of Unit 143 to the vendor, be applied to the purchase of the Front End Loader to offset the costs of the purchase.**

### **BACKGROUND:**

The request for tender for the replacement of the 2006 Volvo L70 Loader was issued in February, advertised on MERX and the Municipal Website for the required time, subsequently closing on March 4, 2025. In order to accommodate the volatile markets, the request for tender allowed for tender submissions for both New Loaders, and Used equipment if they were 2024 or 2025 model years with Less than 1000 hours on the loader. A total of 10 submissions were received. Staff reviewed the tenders for completeness and accuracy.

### **DISCUSSION:**

Based on analyses of the bid submissions, this report will focus on the three lowest bids. All three are above the budgeted amount of \$240,000.00. However, with the funds from the sale of the retired loader, the cost of the loader is within budget for the lowest bid and marginally above budget for the second and third lowest bids. The lowest and second-lowest bids were both used equipment with less than 1000 hours. The third-lowest bid is a new loader. For all three units, full warranty would apply. The third-lowest bid was the only submission to meet all the specifications set out in the tender. A summary of the three low submissions is included in the table below.

In summary, the submission by Nors for a new Volvo L70H2 meets all specifications and is the same model as the loader being replaced. As such, all the attachments currently owned for the loader that will be retired and sold will match up with the new

loader without any special accommodations. In addition, the Volvo loader is 20% more fuel-efficient, reducing overall lifetime operating costs.

The loaders proposed in the lowest and second lowest bids may need modifications to fit existing attachments. Additionally, both units have already been used, with operating hours of 490 and 770 hours, respectively.

Based on a review of the options, and with consideration of the ease of transition between the replacement unit and the retiring unit, along with lifetime operating costs, the unit that would best serve the Municipality is the Volvo L70. This unit is new and was the only unit to meet all the specified standards in the tender.

The preferred vendor was contacted and is willing to pay \$20,000.00 as a trade-in value for the retiring unit. The retiring unit may be declared surplus and disposed of through public solicitation, which does not guarantee that the value of \$20,000.00 would be received; however, some similar units are advertised for sale at a value of up to \$29,000.00.

Company	Make	Model	New or Demo	If Demo # hours of service	Price before HST	Price including 1.076% HST
Brandt Tractor Ltd	John Deere	544P	Demo - 2022	770	\$284,700.00	\$289,710.72
Nors	Volvo	L70H2	New - 2024	10	\$285,700.00	\$290,728.32
Eastrock Equipment	Develon	DL220-7-US20	Demo - 2024	490	\$252,301.00	\$256,741.50

#### **OPTIONS:**

1. Award Tender 25-06 to Nors in the amount of \$285,700.00 plus HST, and offset the cost with \$20,000.00 from the trade-in value of the retired unit, with the additional funds to be paid using year-end budgetary surplus or through additional borrowing.
2. Award Tender 25-06 to Nors in the amount of \$285,700.00 plus HST, and direct staff to place the retired unit up for public solicitation and utilize funds from the sale to offset the costs of the new unit, with the remaining funds covered by year-end surplus or additional borrowing.
3. Award Tender 25-06 to Eastrock in the amount of \$252,301.00 plus HST, and offset the cost overrun with the funds received from the sale of the retired unit.

## FINANCIAL IMPLICATIONS:

- **Option 1** would require approximately \$30,500.00 to be offset by year-end surplus or additional financing after deducting the trade-in value. However, the unit has lower lifetime operating costs.
- **Option 2** would require additional financing of an undetermined amount based on the value received for the retired unit. However, the unit has lower lifetime operating costs.
- **Option 3** would likely not require additional funding for the purchase when offset by the funds received from the sale of the retired unit.

## STRATEGIC PLAN

This procurement aligns with the Municipality's Strategic Plan in the following ways:

1. **Safe and Sustainable:** Ensures continued reliable service delivery for road maintenance and public works operations, improving safety and efficiency.
2. **Modern, Efficient, and Effective Municipal Operations:** Upgrading to a more fuel-efficient and specification-compliant unit supports operational efficiency.
3. **Sustainable Financial Stewardship:** Reduces long-term operating costs by selecting a unit with better fuel efficiency and minimal modification requirements.
4. **Accountable and Transparent Governance:** The tendering process was conducted openly, with multiple bids considered to ensure fiscal responsibility.

## PUBLIC ENGAGEMENT

The tender was publicly advertised as per the procurement policy.

## SUMMARY:

The Municipality will benefit most from purchasing the new Volvo L70, which met all specifications, has lower overall operating costs, and is compatible with existing attachments, including the snowplow blade and forks, without modifications. Additionally, the Volvo L70 is new and aligns with long-term operational and financial sustainability goals.

Respectfully submitted by,

Cory Smith,  
Director of Public Works

Reviewed by:

Ken Kelly,  
CAO

## ATTACHMENTS:

NONE