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To: Chair and Members of Committee of the Whole (Budget)

From: Greg Jenkins, Supervisor of Fire Fleet Fire
Dawn Jarvis, Manager Fire Administration and 911
Communications

Cc: Dave Lazenby, Fire Chief
Joan Ford, Director of Finance

Date: February 5, 2019

Re: Adjust 2019 Fire Fleet Capital Submission to Move-up
Replacement of 1029-11 Diesel Sprinter from 2023.

Staff are seeking Committee's approval to adjust the existing fire fleet capital submission to move-up the fire department's diesel Sprinter van (vehicle #1029-11) from 2023 to 2019, due to a complete engine failure and for future cost avoidance due to condition. This vehicle is used daily and is highly relied upon for numerous purposes, such as training, moving firefighters and equipment to an emergency incident or shuttling between emergency incidents.

After submission of the fire's fleet 2019 – 2028 capital replacement schedule, the department's Sprinter van engine failed. The supervisor of fire fleet maintenance has been advised that the failed engine cannot be repaired, and an engine replacement is required. The lowest quoted price for a re-manufactured engine is \$14,000 (less HST). If the vehicle was in driveable condition, the estimated average current value of the vehicle is \$17,500.

Due to the cost of the re-manufactured engine, age and overall condition of the vehicle, it is recommended to auction the vehicle in "as-is" condition versus spending any additional funds to put the vehicle back into service. Based on the estimates provided, the "as-is" value of the vehicle is \$6,000 to \$8,000. The sale value of the vehicle will be returned to the department's vehicle depreciation reserve fund (VDRF) for future requirements.

The Fire VDRF has sufficient balance to accommodate the earlier replacement of this vehicle. The estimated replacement of this vehicle is \$60,000 in total, including 1.76% HST. A breakout of the estimated replacement cost is provided below for reference;

Estimated Replacement Cost (\$)

Vehicle (7 passenger seating with 30" clearance)	\$42,000
Emergency lighting package	\$8,000
Self contained breathing apparatus (SCBA) brackets	\$5,000
Additional fees (administration, delivery, etc.)	\$4,000
Subtotal	\$59,000
HST 1.76%	\$1,000
Estimated Total	\$60,000

As an overview, staff are recommending replacing the Sprinter van (1029-11) in 2019 due to the following rationale;

1. The quoted cost to purchase a re-manufactured engine,
2. Existing condition and age of the vehicle,
3. Estimated auction value of vehicle in "as is" condition,
4. Estimated cost to replace vehicle may increase,
5. Elimination of repair costs (brakes, tires, etc.) required in 2019 – 2020,
6. Improved reliability with new vehicle,
7. New vehicle fully warrantied,
8. Replacement was planned in next few years,
9. Need of in-service vehicle,
10. VDRF can accommodate the earlier replacement.

Staff are recommending an earlier than planned life-cycle replacement of the Sprinter van (1029-11) due to circumstances that have been provided. Staff are seeking Committee's approval to move up vehicle 1029-11 from 2023 to 2019 as part of the 2019 budget process.

Staff will work with finance to adjust any budget documentation and information, as required.