



## **Staff Report PW2021-049**

**Title of Report:** PW2021-049 Pick up Truck Purchase  
**Department:** Public Works  
**Branch:** Transportation & Public Safety  
**Council Date:** October 20, 2021

### **Recommendation:**

**Be it resolved that** Council receive Staff Report PW2021-049 for information; and  
**That** Council approve the recommendation to purchase a 2021 Chev Crew cab 4x4 pick up truck from Finch Chev Cadillac Buick GMC Limited. at a cost of \$44,132.00 plus HST; and  
**That** Council approve the recommendation to Advertise Unit 315 on GovDeals as is condition for disposal.

### **Background:**

Council awarded the purchase of 2 pick up trucks (1 TAPS & 1 Building) at the April 7, 2021, Council Meeting to Finch Chevrolet Cadillac Buick GMC Ltd. These 2 trucks will not be delivered until early 2022 at a cost of \$41,823.00 plus HST.

On May 19, 2021, Phil Wilson called me regarding his F150 patrol truck, Unit 315 had been running rough lately and suspected gasoline contamination issue and we contacted McDougall Energy, (Twp fuel supplier) and had the Hopeville gasoline tank pumped out.

It came to Southgate staff's attention that the Municipality of West Grey had also had a gasoline fuel delivery with the same load and as well had fleet vehicle issues related to fuel contamination.

Southgate (Hopeville & Holstein) and West Grey dipped their respective gasoline tanks, for samples for lab analysis and both parties sent them to Cambridge Materials Testing Limited. The test report results indicated that both water & diesel fuel were present in heavy fractions.

The 2 Building Department vehicles had also been filled in that timeframe with gasoline from the Hopeville tank. These cars were towed to Trillium Ford in Shelburne on May 21<sup>st</sup> for diagnosis and 2 rental cars from Enterprise Rentals in Orangeville were driven back by Township staff for the Building Department inspectors.

The 2 building department vehicles had gas tanks drained and received inspection/diagnostics at Trillium and those cars did not seem to be impacted from the fuel contamination and caught in time.

Phil's F150 patrol truck was driven to Vanalstine Automotive in Dundalk, (where the truck has been taken for maintenance servicing) and had the gas tank drained and repairs to camshaft, adjuster, rocker arm and replaced spark plugs. The diagnosis of these detonation issues and related problems will require engine replacement as recommended by Vanalstine Automotive.

Unit 315 was also taken to Peninsula Ford in Owen Sound at the cost of McDougall Energy for troubleshooting and the dealership diagnosis is that mixed fuel would not cause the noise present in the engine or the previously repaired damage. The assessment is that the engine does not need to be replaced but there were additional recommendations to complete the repair work done by the local shop.

The McDougall Energy representative's conclusions based on experience and after consulting their own mechanics and engineers combined with this diagnosis, that they do not support the replacement of this engine or future mechanical work. They have asked Ford to provide a written summary for them and advised them that their diagnosis work is to be billed direct to McDougall Energy. We have credited the account for all for all the expenses below, inclusive of the engine work done to the F150 as a good faith measure.

The following costs occurred associated and have been reimbursed by McDougall:

1. Cambridge Materials Testing for 2 samples in amount of \$1,105.14
2. Vanalstine Auto where Phil's patrol truck F150 was taken to at a cost of \$1,525.06. This truck is now running with ticking sounds, and mechanic recommends engine replacement
3. Trillium Ford for 2 building department cars, towing, 2 car rentals and diagnosis, spark plugs were replaced on both vehicles as well. Ford Fusion = \$1,129.20. Ford Escape = \$969.60
4. Total is \$4,729.00

#### **Staff Comments:**

CAO Dave Milliner, Public Works Foreman/Fleet Manager Phil Wilson and Public Works Manager Jim Ellis have been in discussions with McDougall representatives regarding the ongoing issues and problems with Unit 315.

Although Ford dealers have stated that there has been engine noises and issues with the 5.0 Litre 2018-2019 models, staff feel the coincidence of the gasoline fuel contamination timing that triggered the engine rattling and subsequent other issues is directly related to a fuel detonation problem with this engine and a few hundred litres of contaminated gasoline going through the system is a major cause of the malfunction.

McDougall concludes with the expenses reimbursed, the published Technical Service Bulletins for this condition on this engine, and the opinions of our engineer, mechanic, operations as well as the Ford technicians being that a fuel mix did not

contribute to the engine noise from the F150 we exhaustively covered this unfortunate incident, and our position is not likely to move.

In a recent meeting with McDougall staff they agreed to have another assessment based on the engine oil leak and consumption to have Trillium evaluate the truck. Unit 315 was taken to Trillium Ford on October 4, 2021, for engine evaluation and detected both bottom and top end noise, engine oil leak on cylinder head and recommended to properly repair and guarantee the life of the truck, that a new long block assembly is required.

Staff have concerns of the vehicle failure and department interruptions without the vehicle and the Unit 315 engine concerns, with 147,000 kilometres, we have proceeded with and received pricing for trucks with Township lighting packages that are currently available on dealership lots and also garage engine replacement quotes with the following information:

Dealership	Year, Model, Colour & Engine Size	Price excluding HST
Finch Chev Cadillac Buick GMC	2021 1500 Chev white 2.7 L	\$44,132.00
Finch Chev Cadillac Buick GMC	2022 1500 Chev White 2.7 L	\$53,704.00
Finch Chev Cadillac Buick GMC	2021 1500 Dodge Ram white or blue 5.7 L	\$58,422.00
Trillium Ford	2021 F150 Red 5.0 L	\$51,648.50

Unit 315 engine replacement costs for parts & labour are as follows:

Garage	Engine	Price excluding HST
Trillium Ford	New	\$15,246.88
Vanalstine Auto	New	\$15,000.00
Trillium Ford	Used-1 year warranty	\$14,482.15

Options to consider are:

1. Replace with used engine
2. Replace with new engine
3. Advertise Unit 315 on GovDeals as is condition for disposal
4. Trade in with new purchase estimated at \$25,000.00
5. Continue using until further repairs are required
6. Continue to push McDougall Energy to incur the repair costs of the truck with a new engine or stop using them as a Township supplier.

**Financial Implications:**

The 2021 Budget anticipated the purchase of a pick-up truck for \$50,000, funded by the trade-in of Unit 301 for \$2,000 and \$48,000 of general taxation. A 2021 financial commitment was created when a pick-up truck has been ordered with delivery in 2022.

Staff recommends that Council approve the purchase of an available crew cab 4x4 pick up truck from the dealership lot and that it be funded in the 2022 Capital Budget.

**Communications & Community Action Plan Impact:**

Goal 5 - Upgrading our "Hard Services"

**Action 5:** The residents and businesses of Southgate recognize our linear services - roads, bridges, water and sewer work, for example - to be a fundamental purpose of municipal government. This infrastructure needs to be serviceable and sustainable so that our businesses and communities can thrive and grow.

**Strategic Initiatives:**

**5-B -** The Township will have adopted a long-term asset management plan for the timely repair, replacement, and expansion of the Township's infrastructure, facilities, and other assets.

**Concluding Comments:**

Staff recommends that Council receive Staff Report PW2021-049 for information, and that Council approve the recommendations to:

1. Purchase a 2021 Chev Crew cab 4x4 pick up truck from Finch Chev Cadillac Buick GMC Limited. at a cost of \$44,132.00 plus HST.
2. Advertise Unit 315 on GovDeals as is condition for disposal or if McDougall comes good for the replacement cost of a new engine that it would be incorporated back into the fleet and delay a future pickup replacement purchase.

Respectfully Submitted,

**Dept. Head:** **Original Signed By**  
Jim Ellis, Public Works Manager

**Treasurer Approval:** **Original Signed By**  
William Gott, CPA, CA Treasurer

**CAO Approval:** **Original Signed By**  
Dave Milliner, CAO