

Staff Report

Report To: City Council
Report From: Bradey Carbert, Manager of Corporate Services
Phil Eagleson, Fire Chief
Meeting Date: November 18, 2024
Report Code: CR-24-133
Subject: Sale of Surplus 2004 Fire Truck

Recommendations:

THAT in consideration of Staff Report CR-24-133 respecting the Sale of Surplus 2004 Fire Truck, City Council:

1. Waives the Disposal of Surplus Assets provisions within By-law 2020-002 – Procurement of Goods, Services, Construction or Consulting for the purposes of selling the surplus 2004 Fire Truck; and
2. Authorizes the Manager of Corporate Services and Fire Chief to negotiate the direct sale of the asset.

Highlights:

- Staff are in receipt of an offer from an Ontario municipality to purchase the City's surplus 2004 Fire Truck that has been deemed surplus due to replacement with a newer unit.
- The offer is higher than the anticipated sale value established by staff at the time of the purchase of the replacement truck.
- The revenue generated from the sale of the surplus asset will be placed into the Fleet Reserve Fund to offset the purchase cost of the replacement unit.

Strategic Plan Alignment:

This report supports the delivery of Core Service.

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Previous Report/Authority:

[Report CR-24-062 – Refurbished Fire Truck Purchase](#) authorized the purchase of a replacement aerial fire truck and identified the estimated sale value of the existing unit deemed surplus.

Background:

The City purchased a used aerial fire truck via public auction in May 2024 and received Council approval to complete a factory refurbishment of the unit before it was put into service.

At the time of the purchase, the refurbished fire truck was forecasted to be put into service by the end of 2024. As such, staff initiated the disposal of the existing unit in October 2024, in accordance with By-law 2020-002—Procurement of Goods, Services, Construction or Consulting, by posting the unit on the GovDeals public auction site. Both GovDeals and the Fire Chief promoted the auction site through other fire-related forums.

Due to the uncertainty of the anticipated delivery date of the refurbished unit and the lack of bids from other fire departments / private buyers during the bidding period, the vehicle was removed from auction on November 12, 2024, to maintain the City's rights to maintain ownership of the unit. If the unit were sold via the auction site, the successful bidder would be required to pick the truck up within 10 days of the close of the auction. This would have been November 22, 2024, with no guarantee of the in-service date of the new refurbished truck.

An Ontario municipality contacted the Fire Chief on November 13, 2024, indicating that they had interest in the fire truck but had not placed a bid on the public auction site before the asset was removed from the site.

The Ontario municipality has indicated that it has authorization to purchase the unit for up to \$50,000 and has submitted this as an offer to the City, provided that the City delivers the unit to the Municipality and offers basic training on its operation. The request to deliver the unit is reasonable as the municipality is located within two hours of the City. The delivery, training, and return to Owen Sound can be completed within a regular day shift. Like the auction process, the truck will be sold in "AS IS" condition with no

warranty or guarantee given or implied by the City. The Ontario municipality is aware of this.

In addition to this, the City also received an update on November 13, 2024, from Sutphen Fire Trucks, the factory refurbishing the aerial fire truck, to inform the City that the unit is currently being refurbished at the factory and is anticipated to be ready to be driven to the City before the end of the year.

Analysis:

At the time of the vehicle's removal from the auction site, the City intended to re-post the surplus fire truck via public auction at a later date. However, in the very short time since then, the City has been provided with confirmation of the vehicle's availability and a reasonable offer for another municipality to purchase it.

While the City's Procurement of Goods, Services, Construction or Consulting By-law requires the unit to be sold via public auction, donated to a non-profit agency, or recycled/scrapped, this provision can be waived by two-thirds Council approval.

Staff are recommending that Council waive the disposal of surplus asset provisions as contained within By-law 2020-002 - Procurement of Goods, Services, Construction or Consulting to allow the Manager of Corporate Services and Fire Chief to finalize negotiations with the Ontario municipality for the direct purchase of the surplus unit. The direct sale will enable the City to negotiate the delivery date of the vehicle. It will result in financial savings by not needing to pay the commission fees to the auction site, which are approximately \$3,000-\$3,750.

Financial Implications:

The City has received an offer of \$50,000 for the surplus asset, which is \$10,000 more than initially forecasted. The proceeds from the sale will be returned to the Fleet Reserve Fund to offset the acquisition cost of the new refurbished aerial fire truck.

Communication Strategy:

N/A

Consultation:

N/A

Attachments:

N/A

Recommended by:

Kate Allan, Director of Corporate Services

Bradey Carbert, Manager of Corporate Services

Phil Eagleson, Fire Chief

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Phil Eagleson, Fire Chief at peagleson@owensound.ca or 519-376-4440 ext. 2244.