



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: May 31, 2005
Author: S. Chai
Phone No.: 604.326.4793
RTS No.: 5255
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TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Fleet Addition - Metal Shoring

RECOMMENDATION

- A. THAT Council approve the allocation of \$400,000 from the Truck and Equipment Plant Account to fund the capital cost of the pre-fabricated metal shoring systems.
- B. THAT the capital cost be repaid to the Truck and Plant account through annual charges of \$62,000, funding to be provided from existing Sewer Operating Budget.

COUNCIL POLICY

Council approves expenditures from Reserves, including the Truck and Equipment Plant Account.

Council approves all increases in service levels, including the addition of vehicles and equipment to the fleet.

BACKGROUND

The Sewers Operation Branch routinely excavates large amounts of soil throughout the City for construction and connection projects. Heavy duty earth-moving machines dig up to 20' deep trenches to install and repair sewer lines. Shoring systems are required to prevent the trenches from collapsing.

DISCUSSION

The Sewers Operation Branch has been utilizing metal shoring systems since December 2002. These systems replaced the traditional lumber shoring sets that were expensive and labour intensive. In 2004, additional pre-fabricated metal shoring was rented to augment the existing City's metal shoring system at a cost of \$185,000. There is an ongoing need for this additional equipment and the Sewer Operations Branch has examined the option of purchasing the necessary equipment. There is a potential to save \$123,000 annually, by the City purchasing metal shoring in lieu of renting from outside agencies.

FINANCIAL IMPLICATIONS

There will be no increase to the operating budget of the Sewer Operations Branch.

There will be a one time charge to the Truck and Equipment Plant Account of \$400,000, which will be repaid over the 10 year economic life of the metal shoring through rental charges of approximately \$60,000 per year.

Table 1 below shows a comparison between the annual external rental agency charges for metal shoring systems and the proposed internal rental charges from the Truck & Equipment Plant Account funded metal shoring system.

Table 1: Detailed Annual Costs

| Description | External Metal Shoring Rentals | Truck & Equipment Plant Account Funded Metal Shoring |
|---|--------------------------------|--|
| Internal Rate Charges | - | \$60,000 |
| External Rental Costs | \$185,000 | - |
| Shoring Maintenance | - | \$2,000 |
| Total Annual Cost | \$185,000 | \$62,000 |
| Total Annual Savings by Funding through Internal Rentals | \$123,000 | |

CONCLUSION

An ongoing need exists for the rental of pre-fabricated metal shoring. There is a potential to realize annual savings of \$123,000 by purchasing additional metal shoring from the Truck and

Equipment Plant Account and then renting through internal rental rates in lieu of renting pre-fabricated metal shoring systems from external rental agencies.

Accordingly, we recommend that \$400,000 from the Truck and Equipment Plant Account be used to purchase pre-fabricated metal shoring to meet the operational requirements of the Sewers Operation Branch, which includes: 30 trench shields, 68 spreaders, 46 multi-shoring units, 62 end panels, 60 fin form sheets, and other associated accessories and outfitting.

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