

COUNCIL REPORT

M&C No.	2018-363
Report Date	December 10, 2018
Meeting Date	December 17, 2018
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Fleet Replacement Procurement – December 2018

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author(s)	Commissioner/Dept. Head	Acting City Manager
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RECOMMENDATION

It is recommended that Common Council award the purchase of four (4) Tandem Roll-Off Trucks with attachments at a total cost of \$1,833,903.72 plus HST to Universal Truck & Trailer.

EXECUTIVE SUMMARY

The City manages a fleet of 52 heavy trucks utilized by the City of Saint John and Saint John Water.

Each year, the City's Fleet Services Division works with various City departments and commissions to identify and replace vehicles which have reached the end of their useful service lives. The purpose of this report is to make recommendations to award the latest tendered vehicles and/or equipment which require Common Council approval.

The City currently has over 100 vehicles and equipment past their optimal replacement point (ORP, a calculation based on the age of a vehicle, the odometer reading, overall condition and maintenance cost) and this year, 34 vehicles (some of which are the least reliable and most expensive to maintain) will be replaced through the City's procurement processes.

The four (4) tandem roll-off trucks in this recommendation are to replace four (4) tandem plow trucks with combination bodies; units 639, 652, 654 and 656.

Unit 639 is a 2005 Sterling Tandem with an ORP index of 33. The lifetime maintenance cost for unit 639 is \$404,882.11 with \$84,530.93 representing the last two years of use.

Unit 652 is a 2009 Sterling Tandem with and ORP index of 29. The lifetime maintenance cost for unit 652 is \$334,354.46 with \$93,108.83 representing the last two years of use.

Unit 654 is a 2006 International Tandem with and ORP index of 48. The lifetime maintenance cost for unit 654 is \$395,073.51 with \$58,610.39 representing the last two years of use. Due to current expected maintenance costs for an MVI, this unit has been temporarily taken out of service.

Unit 656 is a 2009 Sterling Tandem with an ORP index of 31. The lifetime maintenance cost for unit 656 is \$402,717.77 with \$139,189.58 representing the last two years of use.

In all cases, the lifetime maintenance costs have exceeded the initial purchase price of each of these units and the escalating maintenance costs are expected to continue with continued operation. The expected delivery timeframe on the new tandem roll-off trucks is forty-eight (48) weeks.

Though these replacements are not a like for like, it is expected the new tandem roll-off trucks will be able to perform the same work as the current tandem trucks. In addition, the new tandem roll-off trucks will provide for a greater variety of work and utilization when compared to the current trucks due to the multiple attachments available.

The new tandem roll-off trucks utilize a universal transfer system (USL, quick change system), designed specifically for the municipal road maintenance market. The versatility of this roll off technology allows for fast and efficient changing of attachments. This allows users to better respond to changing conditions.

During the winter season, Transportation and Environment Services (TES) have a number of instances, where the weather changes in their favor and allows them to deviate from winter operations and perform construction related work. With the current tandem trucks, with combination bodies, this becomes very cumbersome as these units are winter ready and would require them to be switched back over in order to perform construction type work. The roll off unit will allows TES to switch from winter (combination dump) to construction (square dump) to anti-icing (DLA tank) within minutes and without compromising the other attachments, thus ensuring that TES stays operationally ready for any impending winter event.

During the winter season, currently TES have either trucks with a plow and square dump (plow Truck) or trucks with a plow and combination dump (salter Truck) that can spread salt/sand. This means TES has routes that are being covered by 2 different pieces of equipment, a plow truck to plow the street and a salter truck to salt/sand the street. By standardizing the fleet and ensuring that all trucks can plow and salt/sand, TES will be able to optimize their routes, enable efficiencies in their road maintenance process, reduce repetitive trips by multiple trucks to perform the same tasks and possibly reduce the overall fleet requirements to perform these services.

During the construction season, by being able to switch out the combination dump for a standard square body dump, TES will be able to increase their hauling capacity. A combination dump can haul approximately 10 tons of material and the square body dump can haul approximately 13 tons, approximately 1/3 more material. This means that for every 3 square body dumps that are purchased, TES will be able to possibly reduce the overall fleet by 1. This also means for larger operations, such as the asphalt spreader program and larger excavation jobs, it will take less equipment to perform these tasks. Please keep in mind that the winter service is the limiting factor when it comes to reducing the overall fleet numbers.

During the off season, maintenance can now be performed on the attachments without the need for the truck to be taken out of service. This will allow Fleet Services to address any maintenance issues with the attachments during the off season and have them ready prior to the intended season, all while the truck is still in service.

Lastly, the attachments are expected to last multiple generations (2 or 3 depending on use) of the truck. This means that for the next 1 or 2 generations of the trucks, the City will only need to purchase the truck and not the attachments. This is a possible significant savings over the next few decades.

PREVIOUS RESOLUTION

Not applicable.

STRATEGIC ALIGNMENT

This report aligns with Council's Priority for Valued Service Delivery, specifically as it relates to investing in sustainable City services and municipal infrastructure.

SERVICE AND FINANCIAL OUTCOMES

This purchase is a planned replacement of existing fleet equipment, approved in the 2018 capital budget. The funds specifically are provided for in the fleet reserve, funded from the operating budget.

The specifications allow for vendors to submit proposals of new and/or used equipment to be evaluated using common criteria.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS – MATERIALS MANAGEMENT

Materials Management facilitated the Request for Proposal (RFP) process to solicit proposals for the Tandem Roll-Off Trucks. As such, the RFP closed on August 20, 2018, with the following proponents responding by submitting proposals:

East Coast International Trucks Inc.
Universal Truck & Trailer

A review committee, consisting of staff from Materials Management, Transportation and Environment Services and Fleet Management reviewed the submissions for completeness and compliance with the RFP requirements and selection criteria consisting of the following:

1. Presentation and Quality of Proposal
2. Compliance with Specifications
3. Delivery Timeframe
4. Service Response Time
5. Value Added
6. Cost

Also in accordance with the City's standard procedures, the committee members evaluated and ranked each proposal based on the proposals' technical merits. Following this, the financial bids were opened and evaluated and corresponding scores were added to the technical scores.

As part of the evaluation period, staff spent considerable time ensuring that the proposed vehicles would comply with various technical and legislative requirements. This was a measure of due diligence as the roll-off system contemplated in this procurement represents a new technology to the City. Following this in-depth evaluation period, the proposal submitted by Universal Truck & Trailer was selected as the best proposal, based on an overall rating of the evaluation criteria, offering a strong overall solution for the City at a cost acceptable to staff.

The above processes are in accordance with the City's Procurement Policy and Materials Management support the recommendations being put forth.

ATTACHMENTS

<https://youtu.be/KdIA1RdAl4s>