

COUNCIL REPORT

M&C No.	2018-328
Report Date	November 13, 2018, 2018
Meeting Date	November 19, 2018
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Fleet Replacement Procurement – November 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
<i>Kevin Loughery / Chris Roberts</i>	<i>Kevin Fudge / Ian Fogan</i>	<i>Neil Jacobsen</i>

RECOMMENDATION

It is recommended that Common Council award the purchase of two (2) Tandem Refuse Packers at a total cost of \$600,420.00 plus HST to Saunders Equipment Ltd.

EXECUTIVE SUMMARY

The City manages a fleet of over 309 vehicles and equipment and each year, the City's Fleet Management Division works with various City departments 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 which require Common Council approval.

The City currently has over 100 vehicles 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 tandem refuse packers in this recommendation are to replace units 641, a 2011 International Packer with an ORP index of 20, and 642, a 2013 International Packer with an ORP index of 17.

Both of these units are equipped with Navistar MaxxForce Advanced EGR diesel engines and have higher than usual life maintenance costs. In both cases, the

lifetime maintenance costs have well exceeded the initial purchase price of each of these units.

The lifetime maintenance cost for unit 641 is \$223,928.42 with \$103,411.83 representing the last two years of use. The lifetime maintenance cost for unit 642 is \$226,312.36 with \$97,853.66 representing the last two years of use. In both cases, the escalating maintenance costs are expected to continue with continued operation. The tentative delivery date on the new tandem refuse packers is 38 weeks.

The new tandem refuse packers will also come with an additional piece of equipment, a helping hand. The helping hand is a drop frame, side loading unit adapted for manual, semi-automated or fully-automated refuse or recycling collection operations. This equipment should enable efficiencies in our collection process and reduce repetitive motion and weight strain on staff. It also presents the opportunity to optimize our Fleet and potentially reduce redundant units currently being used to offset the downtime.

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 Refuse Packers. As such the RFP closed on October 4, 2018 with the following proponents responding by submitting proposals:

East Coast International
Saunders Equipment Ltd.
Shu-Pak Equipment Inc.

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.

Saunders Equipment Ltd.'s proposal was selected as the best proposal based on an overall rating of the evaluation criteria offering a strong overall solution for the City at the lowest cost.

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

ATTACHMENTS

None