



ADMINISTRATIVE REPORT

Report Date: June 8, 2015
Contact: Nick Kassam
Contact No.: 604.829.2097
RTS No.: 11013
VanRIMS No.: 08-2000-20
Meeting Date: June 24, 2015

TO: Standing Committee on Planning, Transportation and Environment
FROM: General Manager of Engineering Services and Chief Purchasing Official
SUBJECT: Contract Award for Supply, Install and Delivery of Various Truck Body Equipment

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering Services, City's Director of Legal Services, and the City's Chief Purchasing Official and enter into two separate contracts with; (a) Calco Equipment (BC) Ltd. and (b) Commercial Truck Equipment Co., for the Supply, Install and Delivery of Various Truck Body Equipment each for a term of three (3) years, with the option to extend for two (2) additional one (1) year terms, with an estimated contract value of \$71,723 plus applicable taxes over the initial three-year term with (a) Calco Equipment (BC) Ltd and an estimated contract value of \$4,177,725 plus applicable taxes over the initial three-year term with (b) Commercial Truck Equipment Co. The combined estimated value of both contracts is \$4,249,448 to be funded by the approved Vehicle Replacement Capital budgets.
- B. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of Engineering Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A;
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued RFP PS20140639 in July 2014 for the Supply, Install and Delivery of Various Truck Body Equipment. The RFP was advertised on the City of Vancouver website and BC Bid and the work was called in accordance with the terms and conditions of the City's Procurement Policy AF-015-01. City staff on the RFP evaluation committee and, subsequently the Bid Committee, have considered the responses received and on that basis recommend that the City negotiate and, if such negotiations are successful, enter into contracts as described above with Calco Equipment (BC) Ltd. and Commercial Truck Equipment Co.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommended Calco Equipment (BC) Ltd. and Commercial Truck Equipment Co. as the successful proponents.

REPORT

Background/Context

Equipment Services' goals are to support City operations, provide best value to the taxpayer and minimize the fleet's impact on the environment. Truck Body Equipment (TBE) is mounted on medium and heavy duty vehicle chassis to act as mobile work spaces, aerial platforms and to transport supplies between locations. Each City owned vehicle is put into a renewable lifecycle model to ensure that the maximum value is obtained during its useful life prior to its replacement. Each replacement is purchased according to the City's Procurement Policy.

The purpose of the RFP was to identify and select suppliers who meet the City's requirements with a demonstrated capability to supply the City's estimated demand for TBE over the term of the contract with competitive pricing.

Strategic Analysis

The RFP was issued in the accordance with City's Procurement Policy AF-015-01.

The City received responses from five (5) vendors in response to the RFP: Calco Equipment (BC) Ltd., Commercial Truck Equipment Co., Drive Products Inc., Falcon Equipment Ltd. and International Truck Body (BC) Inc. The responses were evaluated through the work of an evaluation team comprised of representatives from Equipment Services under the stewardship of Supply Chain Management to determine if the responses offered good overall value to the City. Both quantitative and qualitative factors were evaluated.

Some of the criteria considered in the overall evaluation process included:

- Financial offering
- Assessment of the vendors' abilities to supply the TBE
- Technical assessment of the TBE
- Environmental impact of the TBE offered
- Warranty
- Supply of maintenance documentation and manuals
- Sales, service and parts support
- Delivery

Based on the overall evaluation, the team concluded that the proposals submitted by:

- a) Calco Equipment (BC) Ltd. best met the City's requirements and provided best overall value to the City for procurement of aerial bodies.
- b) Commercial Truck Equipment Co. best met the City's requirements and provided best overall value to the City for procurement of van bodies, dump truck bodies and cranes.

Financial Implications

The contract is on an as needed basis. Finance has reviewed the financial information and confirmed that funding for the contract will be available through the approved Vehicle Replacement Capital budget. As a result of the RFP process, the City is forecasting a savings of approximately \$116,000 (2%) over the course of the 3 year initial contract term.

Legal

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of Legal Services.

CONCLUSION

In summary, City staff recommends that the City of Vancouver negotiate and enter into 2 separate three (3) year contracts, with the option to extend the contracts for an additional two (2) one (1) year terms, with both Calco Equipment (BC) Ltd. and Commercial Truck Equipment Co. for supply, install and delivery of various truck body equipment.

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