



## ADMINISTRATIVE REPORT

Report Date: May 3, 2016  
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Meeting Date: June 1, 2016

TO: Standing Committee on Policy and Strategic Priorities  
FROM: General Manager of Engineering and Chief Purchasing Official  
SUBJECT: Contract Award for Supply and Delivery of Bulldozers

### **RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering, City's Director of Legal Services, and the City's Chief Purchasing Official and enter into two separate contracts with the following vendors:
- SMS Equipment Inc. to supply and deliver one 2016 Komatsu D61 (190 HP). The estimated contract value is \$468,965
  - Finning Canada to supply and deliver one 2016 Caterpillar D7E (240 HP) and one 2016 Caterpillar D8T (300 HP). The estimated contract value is \$1,934,607

The contracts with the above vendors will be for a term of three years, with the option to extend for two additional one year terms, with an estimated combined contract value of \$2,403,572 plus applicable taxes over the initial three-year term, to be funded through the 2015-2018 Fleet & Equipment Replacement Capital Plan.

- B. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of Engineering 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 a RFP PS20151092 on October 16, 2015 for the supply and delivery of bulldozers on an as and when needed basis with an immediate requirement for one 190 HP bulldozer, one 240 HP bulldozer and one 300 HP bulldozer. The RFP was advertised on City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City's Procurement Policy AF-015-01. City staffs 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 a contract as describe above with SMS Equipment Inc. and Finning Canada.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommended SMS Equipment Inc. and Finning Canada as the successful Proponents.

In January 2011, Council adopted the revised *Greenest City Action Plan 2020* targets, which included a target reduce community-wide greenhouse emissions by 33% by 2020 over 2007 levels, with specific actions to support green transportation and cleaner vehicles.

In November 2015, Council approved the *Renewable City Strategy*, detailing how Vancouver will achieve the target of 100% renewable energy use by 2050; that strategy outlines to need to transition vehicles, of all kinds, to be powered by renewable sources that emit no greenhouse gasses.

## **REPORT**

### **Background/Context**

The Vancouver Landfill and Transfer Station current bulldozer fleet consists of two 190 HP bulldozers and five 300 HP bulldozers. The 190 HP bulldozers are used for road building, cover placement and other tasks that require maneuverability and control. The 300 HP bulldozers are used for waste handling and other tasks that require more power. For the past few months, the Vancouver Landfill has been utilizing a 240 HP bulldozer on a trial basis to understand if this intermediate size would benefit operations. The trial concluded that the 240 HP bulldozer improved operational flexibility by allowing operations to effectively perform both jobs, which reduces the risk of having to find suitable equipment to rent when a 190 HP or 300 HP bulldozers are down for an extended period of time.

Through a publicly posted RFP, Engineering Services is aiming to purchase three new bulldozers to replace the bulldozers listed below which are approaching end of useful life;

- One 190 HP bulldozer with a similarly sized bulldozer

- One 190 HP bulldozer with a 240 HP bulldozer
- One 300 HP bulldozer with a similarly sized bulldozer

The RFP included specifications for 190 HP, 240 HP, 300 HP bulldozers. These specifications were non-proprietary and complied with safety standards and minimum technical and functional requirements. The RFP allowed vendors the ability to respond to one or more of the specifications. The vendor(s) that could demonstrate the best overall value for each specification would be awarded a contract for that specification.

### ***Strategic Analysis***

The RFP was issued in the accordance with City's Procurement Policy AF-015-01. The City received responses from Brandt Tractor Ltd., Finning Canada, Inland Kenworth, and SMS Equipment Inc. The responses were evaluated through the work of an evaluation team comprised of representatives from Equipment Services and Landfill Operations under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City, both quantitative and qualitative factors were evaluated.

#### **Technical Evaluation Criteria:**

- A. Technical Score: including; performance specifications [dimensions, weight, guarding, cab, track shoes, track assembly, etc.], environmental leadership [energy efficiency and emissions of equipment], and mechanical and operator assessment.
- B. Service and Warranty: including; maintenance schedules, parts availability and delivery, training [mechanical and operational] and warranty terms and costs.
- C. Business/Organization: including; organization profile, business and technical reputation and experience and personnel skill and knowledge.
- D. Sustainability: including; organizations ethical, social and environmental standards.

#### **Financial Evaluation Criteria:**

The financial evaluation was based on a comparative analysis of the Proponents price for the bulldozer plus selected options and fuel and maintenance costs.

Based on the overall evaluation, the team concluded that the proposal submitted by SMS Equipment Inc. and Finning Canada, best met the City's requirements and provides best overall value to the City.

### ***Financial Implications***

Finance has reviewed and confirmed that funding is available. Funding will be provided through the 2015-2018 Fleet & Equipment Replacement Capital Plan.

### ***Sustainability Implications***

The Vancouver Landfill and Transfer Station bulldozer fleet is responsible for nearly 7% of the total fleet emissions for the City of Vancouver. Any fuel savings will have a tremendous impact on our overall greenhouse gas emissions. Overall, it is expected that these three bulldozers will reduce overall fleet Co2e by 55 tonnes, or .4%. In addition these three bulldozers will meet the latest EPA Tier IV final standard and are capable of using a biodiesel blend of 20%. These are the cleanest burning diesel engines available and will reduce the amount of particulates and nitrous emitted by these three bulldozers by over 90% compared to the existing units.

### ***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 a three year contract, with the option to extend the contract for an additional two, one year terms, with SMS Equipment Inc. and Finning Canada for the supply and delivery of bulldozers as and when need; with the immediate the supply and delivery of the following bulldozers:

- SMS Equipment Inc. to supply and deliver one 2016 Komatsu D61 (190 HP). The estimated contract value is \$468,965

Finning Canada to supply and deliver one 2016 Caterpillar D7E (240 HP) and one 2016 Caterpillar D8T (300 HP). The estimated contract value is \$1,934,607.

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