



ADMINISTRATIVE REPORT

Report Date: April 25, 2017
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Meeting Date: May 3, 2017

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of Engineering and Chief Purchasing Official

SUBJECT: Approval for a Sole Source Contract Extension of the Chrysler Canada Inc. ("Chrysler") Contract for the Supply and Delivery of Dodge Charger Enforcers

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 a sole source contract extension with Chrysler for the supply and delivery of Dodge Charger Enforcers 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 (\$4,744,000), plus applicable taxes over the initial three-year term, to be funded through the Truck and Equipment Plant Account as well as the Vancouver Police Department ("VPD") Operating Budget.
- 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 sole source contract extension 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 sole source contract extension is executed by the authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

Due to ongoing replacement of the patrol vehicle fleet and the discontinuation of the City's primary patrol vehicle (Ford Crown Victoria) City staff issued a Request for Expression of Interest ("RFEOI") PS20120187 for the pre-qualification of law

enforcement and patrol vehicles in March 2012 which included field trials for the two (2) shortlisted patrol vehicle vendors and, subsequently, in March 2013, issued a Request for Quotation ("RFQ") PS20130328 for the supply and delivery of Dodge Charger Enforcers. Chrysler demonstrated best value to the City and as such was awarded a contract with a commencement date of August 1, 2013 and end date of July 31, 2016.

The contract with Chrysler was for the replacement of 169 Ford Crown Victoria patrol vehicles, which represent 96% of the VPD's patrol fleet. The contract value was for approximately \$6,500,000. The City has currently replaced 128 patrol vehicles to date.

This sole source contract extension will allow for the VPD to replace the remaining 41 Ford Crown Victoria patrol vehicles with Dodge Charger Enforcers, thus completing the standardization of the patrol vehicle fleet and enabling standardization of related service and support items (i.e. operator training, fleet servicing and parts inventory). In addition, this sole source contract extension will allow for (i) the replacement of patrol vehicles that are written off due to excess damage (ii) replacement of patrol vehicles that have reached end of life and; (iii) allow the VPD to maintain a standardized patrol vehicle fleet that will support driver safety, technology improvements, and reduce emissions.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In June 2013, Council approved Council Report RTS 10184 to award a contract to Chrysler for the supply and delivery of Dodge Charger Enforcers.

This approval is sought under Section 8.2 of the City's Corporate Procurement Policy AF-015-01, where in the event that sole source provisions of the policy do not apply to a renewal or extension, only Council or the City Manager may approve such renewal or extension.

REPORT

Background/Context

1.1. Background

The City requires patrol vehicles to support the VPD in maintaining public order, upholding the rule of law, and preventing crime. The VPD protects a population of approximately six hundred and eighty thousand (680,000) citizens and covers an area of over one hundred and fourteen (114) square meters. Chrysler and the Dodge Charger Enforcers have been valuable assets to the VPD in meeting their mandate for the following reasons;

- a) Patrol vehicle specifications and performance; the Dodge Charger Enforcer has met both patrol vehicle specification requirements and performance standards;

- i.e. safety standards, engine, transmission and brake performance requirements, and dimensional requirements (interior and exterior)
- b) Capped pricing model for patrol vehicles; the cost for the patrol vehicles can only be increased by a maximum of \$500 per model year regardless of market conditions, including currency exchange
- c) Warranty programs and service agreement; the warranty program and service agreement provided by Chrysler is very strong and allows for warranty work to be done in-house
- d) Delivery and production timelines; Chrysler has provided the City with the highest delivery priority allocation and has delivered on its commitments with minimal delays

Financial Implications

The expected costs listed below assumes the Dodge Charger Enforcer patrol vehicle fleet program will be in effect for the next three (3) years and contemplates the replacement of the existing 41 Ford Crown Victoria's, a 5 year patrol vehicle replacement schedule and a maximum annual increase of \$500 per model year.

Replacements	2018	2019	2020
Patrol Vehicles	33	34	35
Est. Capital Cost per Unit	\$46,000	\$46,500	\$47,000
Total Spend per Year	\$1,518,000	\$1,581,000	\$1,645,000

Finance has reviewed and confirmed that funding is available for the replacement of 33 patrol vehicles as part of the 2016-2018 Capital Program. Replacements beyond 2018 will be proposed as part of future Capital Programs as and when needed.

Legal

Legal has been engaged and has reviewed the City's ability to extend the Chrysler contract; Section 2.02 of the Chrysler contract provides that by agreement in writing the parties may extend the contract.

Legal has reviewed the contract and confirms that the contract has a non-exclusivity clause, which confirms the City is not bound to treat Chrysler as its exclusive supplier of any Products.

Legal has provided a Modification Agreement template to be completed upon completion of negotiations to execute the extension.

The City's Procurement Policy requires that all contract extensions that have been awarded by Council will be signed by the Director of Legal Services.

Sustainability

The Dodge Charger Enforcer is a smaller vehicle than the Ford Crown Victoria patrol vehicle. The Ford Crown Victoria's have a 4.6L V8 gasoline engine while the Dodge Charger Enforcer is equipped with a 3.6L V6 gasoline engine that comparatively has 21% improved fuel economy according to Natural Resources Canada testing. Additionally, the Dodge Charger Enforcer is being ordered equipped with an idle reduction system designed to minimize idling of patrol vehicle while in operation, by enabling auxiliary equipment, such as emergency lights and computers, to operate on battery power when operationally feasible.

CONCLUSION

In summary, City staff recommends that the City of Vancouver negotiate and enter into a three (3) year contract, with the option to extend the contract for an additional two (2) one(1) year terms, with Chrysler for the supply and delivery of Dodge Charger Enforcers.

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