

LATE DISTRIBUTION FOR COUNCIL - NOVEMBER 1, 2005

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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: October 26, 2005
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Meeting Date: November 1, 2005

TO: Vancouver City Council

FROM: General Manager/Fire Chief, Vancouver Fire & Rescue Services
Manager, Materials Management

SUBJECT: Award of Proposal #PS05032 Supply of Fire Apparatus

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C, D and E, Council authorize the General Manager/Fire Chief, Vancouver Fire & Rescue Services and the Manager of Materials Management to enter into an agreement with Safetek Emergency Vehicles Ltd. for the supply and delivery of thirteen (13) completely outfitted 2006 Smeal CCAFSNPAP 1875 IPGM high pressure two stage engine units at a total estimated cost of \$8,334,326, one (1) completely outfitted SVI 2006 CALP Air and Light Support Unit at a total estimated cost of \$696,695 and 2 (two) completely outfitted Hazmat Units at a total estimated cost of \$1,647,891 plus GST (less any municipal rebate received) and PST (where applicable) and the Provincial Environmental Levy.
- B. THAT the source of funds be provided from the Truck and Equipment Replacement Reserve (Plant Account) in the amount of \$10,037,810 and \$641,102 from the recoveries associated with the supplementary service agreements with the University of British Columbia and associated facilities.
- C. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.

- D. THAT all such legal documents be on terms and conditions satisfactory to the General Manager/Fire Chief, the Manager of Materials Management and the Director of Legal Services.
- E. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A, B, C and D above unless and until such legal documents are executed and delivered by the Director of Legal Services.

GENERAL MANAGER'S COMMENTS

The General Manager/Fire Chief and the Manager, Materials Management RECOMMENDS approval of the foregoing.

COUNCIL POLICY

The Policy of Council is to award contracts for the purchase of equipment, supplies and services that will give the highest value based on quality, service and price.

Contracts with a value over \$300,000 are referred to Council for award.

Council approves expenditures from Reserves, including the Truck and Equipment Plant Account.

On October 16, 1995, Vancouver Fire and Rescue services and the University Endowment Lands Fire Department amalgamated. At that time, the responsibilities for delivery of fire protection and related services to the University Endowment Lands (UEL) and the University of British Columbia (UBC) were assumed by the City of Vancouver.

On May 28, 1996, Council approved a continuation of the UBC Supplemental Service Agreements which had been provided by the University Endowment Lands Fire Department.

PURPOSE

This report recommends for Council's approval the successful Award of Proposal for replacement of 16 apparatus units for Vancouver Fire & Rescue Services (VFRS).

BACKGROUND

In 1996, Council agreed that all VFRS apparatus should be funded through the Plant Account. The thirteen (13) Engines, two (2) Hazardous Material Units (HazMat) and one (1) Air and Light Support Unit were scheduled for replacement and approved by Finance in late 2003 as part of the 2004 - 2006 replacement programs. One of the engines is funded from the recoveries associated with the supplementary service agreements with UBC and associated facilities. Although the total costs of the two HazMat units at \$1,647,891, before taxes, is about \$120,000 higher (or 8%) than originally estimated by VFRS, and due to high costs of outfitting these specialized units, there are more than enough offsetting savings from the Engines and Air and Light Support unit estimates.

Having two fully equipped and trained Hazardous Materials response teams is important because it will help ensure that Vancouver is in a position to provide comprehensive hazardous materials incident response capabilities in the lower mainland. In 2004,

Vancouver's HazMat units responded to 362 incidents and provided regular assistance to the Vancouver Police Department for clandestine drug labs and grow-op situations. There is also the potential threat of Chemical, Biological, Radiological, and Nuclear (CBRN) weapons. Adequate preparation is even more important now that Vancouver is going to "host the world" at the 2010 Olympic Games. To meet these emergent needs, the Department anticipates requiring a third, fully equipped "reserve" HazMat vehicle and will seek approval through a future Council report.

DISCUSSION

On April 8, 2005 the City issued a Request for Proposal (RFP PS05032) for the supply and delivery of thirteen (13) 1875 IGPM High Pressure two-stage engines, one (1) Air and Light Support Unit and two (2) Hazmat Material Units. The objective of this RFP included the ability to obtain Fire Apparatus fully equipped and delivered to the Vancouver Fire & Rescue Services. In order to fulfill this requirement prices were requested through the RFP for operational equipment required to fully equip the fire apparatus. In addition to notifying incumbent suppliers to the City and other well known vendors, the RFP was placed on the City's and BC Purchasing Commission's website.

Two (2) Proposals were received and opened on August 31, 2005 and referred to the General Manager/Fire Chief and the Manager of Materials Management for evaluation and report. The two (2) Proposals were evaluated by a five (5) person evaluation team. The subjective factors of the Proposals were evaluated individually by team members and a composite score was assigned to each Proposal. Using a value equalization analysis on prices quoted, the Proponent's financial offering was included within the overall evaluation after the subjective factors were scored.

Evaluation criteria were as follows:

Proponent Qualifications

Factors considered included the Proponent's history and experience, references, ability to provide a contact to handle the needs of the VFRS if required, business and technical reputation and capabilities, financial stability, scope of service abilities, experience of its key personnel, ability to comply with all City insurance and financial requirements, and product offering.

General Requirements

Requirements for VFRS Fire Apparatus were compiled through specifications listed in the RFP as basic minimum requirements. The Proponents were required to meet or exceed these specifications.

Other factors considered included the Proponent's capability of meeting the product and service needs of the VFRS including the ability to supply the specified product, quality of the equipment proposed, quality of the service proposed, parts availability within 24 hours for not less than 10 years time, delivery, provision of a warranty representative to handle all warranty issues dealing with all components covered by warranty in the building of these Fire Apparatus, training offered, and a workable transition and implementation plan.

Risk

Factors considered were identification of risks associated with implementing a contract of this size and nature, and were mitigated through the ability of the Proponent to provide the documentation required to alleviate these concerns.

The evaluation team was unanimous in selecting Safetek Emergency Vehicles as the successful Proponent. Safetek received the highest overall score and as such will provide best value for the VFRS and the City for all items proposed. Safetek Emergency Vehicles Ltd. is a distributor for Smeal Fire Apparatus and SVI Trucks. The thirteen (13) high pressure two stage engines will be provided by Smeal Fire Apparatus Company. SVI Trucks will provide the one (1) air and light support unit and the two (2) HazMat units.

FINANCIAL IMPLICATIONS

The thirteen (13) Engines, two (2) Hazardous Material Units (HazMat) and one (1) Air and Light Support Unit were scheduled for replacement and approved by Finance in late 2003 as part of the 2004 - 2006 annual replacement programs. The total cost of this Proposal is \$10,678,912 plus GST (less any municipal rebate received) and PST (where applicable) and the Provincial Environmental Levy.

Funding for the purchase of twelve (12) Engines, two (2) HazMat units, one (1) Air and Light Support Unit as well as the complete outfitting costs of these units totalling \$10,037,810, before applicable taxes and Provincial Environmental Levy, will be provided from the Truck and Equipment Plant Account. One engine totalling \$641,102, before applicable taxes and Provincial Environmental Levy, will be funded from the recoveries associated with the supplementary service agreements with the University of British Columbia and associated facilities.

Although the total costs of the two HazMat units at \$1,647,891 before taxes, is about \$120,000 higher (or 8%) than originally estimated by VFRS, and are due to high costs of outfitting these specialized units, there are more than enough offsetting savings from the Engines and Air and Light Support unit estimates.

CONCLUSION

Accordingly, we recommend acceptance of the proposal offering the overall best value to the City from Safetek Emergency Vehicles Ltd. for thirteen (13) 1875 IGPM High Pressure two stage engines (SMEAL CCAFSNPAP - 2006 Model) at a total estimated cost of \$8,334,326 (\$608,000 each minus \$6,400 each if cab and chassis paid upon completion, plus \$39,502 each for complete outfitting for a total estimated unit price of \$641,102), one (1) Air and Light Support Unit (SVI CALP - 2006 Model) at a total estimated cost of \$696,695 (\$640,000 minus \$4,800 if cab and chassis paid upon completion, plus \$61,495 for complete outfitting) and two (2) Hazmat Units (SVI CAWZ - 2006 Model) at a total estimated cost of \$1,647,891 (\$620,000 minus \$5,200 each if cab and chassis paid upon completion, plus \$209,145 each for complete outfitting of each unit for a total estimated price of \$823,945 each).

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