



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: June 23, 2006
Author: J. Foo
Phone No.: 604.326.4786
RTS No.: 06060
VanRIMS No.: 03-1200-11
Meeting Date: July 11, 2006

TO: Vancouver City Council

FROM: General Manager of Engineering Services
Manager of Materials Management

SUBJECT: AWARD OF TENDER PS06052 - THE SUPPLY AND DELIVERY OF TEN (10)
BRUSH CHIPPERS

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C, and D, Council authorize the General Manager of Engineering Services and the Manager of Materials Management to award to the low bid meeting specifications and providing best value from Vermeer of B.C., a Division of Bobcat Country Sales Inc. for eight (8) 2006 model year Vermeer BC1500XL 14" brush chippers, and two (2) 2006 model year Vermeer BC1800XL 18" brush chippers, at a total cost of \$361,120, plus the Provincial Sales tax, the Goods and Services Tax (less any municipal rebate received) and the Provincial Environmental Levy, subject to a contract satisfactory to the Director of Legal Services.
- B. 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.
- C. THAT, all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services, Manager of Materials Management and the Director of Legal Services.
- D. THAT, no legal rights or obligations will be created by Council's adoption of Recommendation A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.
- E. THAT, funding for the purchase described in Recommendation A be provided from the Truck and Equipment Plant Account.

COUNCIL POLICY

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

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

DISCUSSION

Tenders for the above were opened on May 03, 2006 and referred to the General Manager of Engineering Services and the Manager of Materials Management for report.

The 7% Goods and Services Tax (less any municipal rebate received), Provincial Sales Tax and the Provincial Environmental Levy are in addition to all the prices shown in the report.

The tender called for pricing for eight (8) medium size 14" brush chippers and two (2) large size 18" brush chippers. In addition to notifying incumbent suppliers to the City and other well known vendors, the tender was advertised in the Vancouver Sun and on the City's and BC Purchasing Commission's website.

The brush chippers are replacing existing units used by the Park Board arboriculture division. The brush chippers are specialized units that are used throughout the City for chipping material in tree pruning operations.

Three (3) bids were received with base pricing ranging between \$347,340 and \$375,620. All three bids met base specifications.

Three (3) options were required for the chippers in addition to the base requirement. Two (2) winches were necessary for the two (2) 18" chippers to assist workers in lifting heavy pieces of wood. A hydraulic lift option was required on the top feed rollers of each of the chippers, to allow them to more easily feed larger pieces of wood. Lastly, a hand crank option was found to be a beneficial option, as it would allow for better securement of the discharge chute; the additional securement would reduce the likelihood of the chipper chute hitting other vehicles while in transit.

Bid 1 had the lowest initial base cost, but when factoring in the additional cost for the hydraulic lift top feeders, hand cranks, and two (2) winches, Bid 2 resulted in the lowest bid price. Bid 1 proposed a total cost of \$366,490 including options.

Bid 2 included the hydraulic lift top feeder and hand crank option as part of the initial base prices, and when combined with the two (2) optional winches, the total bid amounted to \$361,120.

Bid 3 offered the highest bid, and total price including options was \$383,608

Bid 2 from Vermeer of B.C., a Division of Bobcat Country Sales Inc. fully meets the required operational requirements and specifications as tendered and is recommended.

FINANCIAL IMPLICATIONS

The existing units are scheduled for replacement in the 2005 and 2006 Equipment Replacement Programs. Funds for the purchase of these units are provided from the Truck and Equipment Plant Account.

CONCLUSION

Accordingly, we recommend acceptance of Bid 2, the low bid meeting specifications and offering best value from Vermeer of B.C., a Division of Bobcat Country Sales Inc. for eight (8) BC1500XL 14" brush chippers and two (2) BC1800XL 18" brush chippers at a total cost of \$361,120 including options for the hand crank, hydraulic lift on the rollers, and two (2) winches for the 18" chippers.

* * * * *