



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: November 16, 2007  
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VanRIMS No.: 03-1200-11  
Meeting Date: December 11, 2007

TO: Vancouver City Council

FROM: General Manager of Engineering Services  
Manager of Materials Management

SUBJECT: Direct Purchase - Six (6) Case 590 Backhoe Loaders

#### 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 direct award to Parker Pacific Equipment Sales six Case 590 Backhoe Loaders, the standardized backhoe loader for the fleet as approved by City Council on February 10, 2004, at a total cost of \$593,289, 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 and the expiration of the posted Notice of Intent to Contract.
- 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.

### **PURPOSE**

This report seeks approval for the direct award purchase of six backhoe loaders for the Engineering Services fleet.

### **BACKGROUND**

On February 10, 2004, City Council approved the award of tender PS03033 (Supply and Delivery of backhoe loaders) as well as the standardization of the backhoe loader fleet through 2007 on Case brand backhoe loaders. Of the seven bids submitted in the tendering process, the Case backhoe loaders were determined to provide the best value to the City based on a comprehensive evaluation process. By standardizing on a common machine, savings would be achieved by reducing mechanic and operator training, increasing parts availability, and allowing for easy interchange of auxiliary equipment such as buckets and breakers.

The City now requires six backhoe loaders as replacements for existing units in the fleet which have surpassed their economic lives. The units have been approved for replacement as part of 2007/2008 Vehicle and Equipment Replacement Program. Four of the units are for the Sewer Operations Branch, the fifth unit is for the Transfer and Landfill Operations Branch, and the sixth unit is for the Streets Operations Branch. These replacement machines are based on the same tender specifications as the original tender (PS03033), with the only differences being the various options such as additional buckets, etc.

Parker Pacific Equipment Sales is the only dealer for Case brand backhoe loaders that is authorized by Case Equipment for sales in British Columbia.

### **DISCUSSION**

Backhoe loaders are versatile machines that are used on work sites to dig trenches, move material, place equipment, and power hydraulic tools. The City owns 20 backhoe loaders, 18 of which are the "Case" brand. The purchase of these backhoe loaders will continue the Case standard for this replacement cycle.

The four units for the Sewers Operations Branch and the single unit for the Streets Operations Branch require auxiliary hydraulics for the backhoe portion of the machine in order to hook up hydraulic tools such as breakers and compactors. These units also require extra heavy duty

digging buckets because they will be used for digging or scraping through concrete and asphalt.

The unit for Transfer and Landfill Operations will work in the Vancouver Transfer Station to handle yard waste and to push garbage into the transfer pit and transfer trailers. This machine requires a pressurized cab with climate control to reduce the operator's exposure to particulates in the air. It also requires mining tires to minimize tire damage as it needs to drive over garbage. Another required option is a hydraulic clam on the backhoe bucket in order to distribute the load in the transfer trailers.

A Notice of Intent to Contract (NOITC) for the direct purchase of these backhoes has been posted on the City website and expired on November 16, 2007. There were no inquiries related to this NOITC that would compel the City to change the recommendations herein.

### FINANCIAL IMPLICATIONS

Funds of \$593,289 for six backhoe loaders will be provided from the Truck and Equipment Plant Account. The four machines for Sewer Operations and the machine for Streets Operations cost \$89,616 each plus \$2,345 for each 42" clean up bucket. The Transfer Station machine costs \$109,883 with all the necessary options. Additionally, four 30" heavy duty digging buckets, three 24" heavy duty digging buckets, one 18" heavy duty digging bucket, and two 30" clean up buckets are required at a cost of \$2,639, \$2,370, \$1,823, and \$2,056 respectively.

The Canadian dollar increased in value by approximately 32% from when the tendering process concluded in 2004 to the date at which updated pricing was obtained in November 2007. The updated pricing received from Parker Pacific Equipment Sales of \$89,616 per machine compares favourably to the original pricing of \$102,109 (approximately 13% reduction) when factoring in the increase in the value of the Canadian dollar, increases in model year pricing due to general inflation for labour and energy, as well as a significant increase in the cost of steel.

### ENVIRONMENTAL IMPLICATIONS

The replacement units continue to be diesel powered machines and will use biodiesel. Also, the new units meet 2007 EPA emission standards and are therefore significantly less polluting and have greatly reduced particulate matter output than the older units.

### CONCLUSION

This report seeks approval to purchase six Case backhoe loaders from Parker Pacific Equipment Sales for \$593,289 from the Truck and Equipment Plant Account which will be repaid through the City's internal rental rates.

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