



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: October 14, 2008
Contact: Mani Deo
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VanRIMS No.: 08-2000-20
Meeting Date: November 25, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services
Manager of Materials Management

SUBJECT: Award of Tender PS08041 - The Supply and Delivery of One (1) 5.0 Cubic Metre Wheel Loader

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 Great West Equipment for one (1) 2009 Volvo L220F wheel loader at a total cost of \$341,225 plus applicable taxes (less any municipal rebate received) and the Provincial Environmental Levy; the source of funding will be the Truck and Equipment Plant Account.
- 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.

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.

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

DISCUSSION

Tenders for the above were opened on August 27, 2008 and referred to the General Manager of Engineering Services and the Manager of Materials Management for report. In addition to notifying incumbent suppliers to the City and other well known vendors, the tender was advertised on the City's and BC Purchasing Commission's website.

The tender called for pricing for one (1) wheel loader for use at the Vancouver Landfill. This wheel loader will be used for handling compost. The tender included an option to purchase an additional unit within 12 months. This option may be exercised by staff a later date.

The 5% 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.

Five (5) bids were received from five (5) vendors. Pricing for the loader including options ranged between \$256,360 and \$500,287.

Bid 1 for \$256,360 did not meet tender requirements for local product support to be available in the lower mainland area through an established dealership. Response time for service is negatively affected due to the required travel time which results in operational delays and additional machine downtime over a local dealer.

The next lowest bid, Bid 2, for \$356,915 met requirements and is therefore the recommended bid. Bid 2 provides a credit of \$15,690 for the deletion of the buy back option that will be exercised in the purchase; this results in a net bid cost of \$341,225. The other three (3) bids offered pricing higher than Bid 2.

FINANCIAL IMPLICATIONS

One (1) wheel loader was scheduled and approved to be replaced as part of the 2006 Equipment Replacement Program. The total cost for the unit is \$341,225 (\$333,000 minus \$15,690 credit for the buy back option, plus \$13,196 for a spare wheel and tire, \$5,482 for joystick controls for steering, and \$5,237 for boom suspension system) plus applicable taxes (less municipal rebate) and the Provincial Environmental Levy. Funding for the purchase of the unit will be provided from the Truck and Equipment Plant Account.

CONCLUSION

Accordingly, we recommend acceptance of low bid meeting specifications and offering best value from Great West Equipment for one (1) 2009 Volvo L220F wheel loader at a total cost of \$341,225 (\$333,000 minus \$15,690 credit for the buy back option, plus \$13,196 for a spare wheel and tire, \$5,482 for joystick controls for steering, and \$5,237 for boom suspension system) plus applicable taxes (less any municipal rebate received) and the Provincial Environmental Levy.

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