# A15

CITY OF **VANCOUVER**

**ADMINISTRATIVE REPORT**

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| Report Date: | November 21, 2008 |
| Contact: | Doug Smith |
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| RTS No.: | 07783 |
| VanRIMS No.: | 08-2000-20 |
| Meeting Date: | December 16, 2008 |

TO: Vancouver City Council

FROM: General Manager of Engineering Services
Manager of Materials Management

SUBJECT: AWARD OF TENDER PS08170 - THE SUPPLY & DELIVERY OF TWO (2) HYBRID AERIAL TRUCKS

*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 lowest bids meeting specifications and providing best value for the supply and delivery of two (2) 2009 hybrid aerial trucks from:

i. First Truck Centre Vancouver Inc. for the two (2) chassis, at a cost of $240,118, and
ii. Commercial Equipment Corp. for the aerial devices and the service bodies, at a cost of $322,806

plus applicable taxes (less any municipal rebate received) and the Provincial Environmental Levy; source of funding to 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 October 29, 2008 and referred to the General Manager of Engineering Services and the Manager of Materials Management for report.

The 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 this report.

The tender called for pricing for two (2) hybrid aerial trucks. The truck encompasses a chassis, an aerial device and a service body. The tender was split into two (2) Items; Item 1 – Chassis and Item 2 – Aerial Device and Service Body. 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 hybrid aerial trucks are replacing conventional diesel engine aerial trucks used by the Traffic and Electrical Operations Branch. The aerial truck application is a heavy idle application and the hybrid technology in this application has been demonstrated to result in reductions of 30-60% in fuel consumption.

Two (2) chassis bids were received from two (2) vendors for Item 1 with pricing of $120,059 and $130,510 per unit, respectively. Bid 1 from First Truck Centre Vancouver Inc. is the lowest bid meeting specifications and is therefore recommended.

Two (2) aerial and service body bids were received from two (2) vendors for Item 2 with pricing of $238,693 and $322,806, respectively. Bid 1 did not meet specifications as it offered a fibreglass service body instead of an aluminium service body and did not offer a walk-in style door on the aerial platform. Bid 2 from Commercial Equipment Corp. is the lowest bid meeting specifications and is therefore recommended.

Traffic and Electrical Operations and Equipment Services have reviewed the available options for the aerial and the service body bids and are recommending the purchase of the continuous rotation feature, fall protection system, hydraulic test kit, aerial platform cover, wheel chocks, boom lifting point and the higher reach larger capacity aerial device. The continuous rotation feature will allow the operators to work efficiently as it allows non-stop movement of the aerial device from one location. The fall protection system, hydraulic test kit and wheel chocks will provide additional safety for the operators when using the equipment. The aerial platform cover will provide weather protection for the aerial platform controls. The boom lifting point will be used to support the boom when the unit is being serviced. The higher reach and larger capacity extension are only required on one unit to repair and replace arms and bulbs on taller lighting poles around City parks, Knight Street Bridge and BC Place.

The table below summarizes the unit and total pricing of each Item from the successful bidders. The pricing includes all the required options described above.

Table 1: Pricing Breakdown

| Tender Items | Truck 1 Lower Reach | Truck 2 Higher Reach | Total |
|---|---|---|---|
| Item 1: Chassis | $120,059 | $120,059 | $240,118 |
| Item 2: Aerial Device and Service Body | $154,903 | $167,903 | $322,806 |
| Total | $274,962 | $287,962 | $562,924 |

*FINANCIAL IMPLICATIONS*

One of the existing units was approved for replacement in 2003 Equipment Replacement Program; the other unit was approved as an addition to the fleet in July 2007 (RTS 06476). Funding for the two (2) hybrid aerial trucks will be provided from the Truck and Equipment Plant Account.

The cost to convert the two (2) trucks from conventional diesel to hybrid technology is estimated at approximately $100,000. This cost will be offset by external grants of $40,000 and by fuel savings over the ten (10) year service life of the trucks.

The approved replacement cost of the higher reach unit was estimated at $175,000 in 2003. The increase from the 2003 estimated cost to the 2008 tender bid is attributed to a significant increase in the industry price of steel in recent months (over 50% since January 2008) and the cost of the hybrid conversion.

The approved cost of the lower reach unit addition was estimated at $118,000 in 2007. The increase from the 2007 estimated cost to the 2008 tender bid is also attributable to the recent increase in the price of steel,the cost of the hybrid conversion, and the upgrading of the vehicle chassis to a heavier duty configuration to meet operational requirements.

*ENVIRONMENTAL IMPLICATIONS*

The conventional diesel engine aerial units consume approximately 4,800L of fuel per year per unit. The replacement units have a hybrid drive unit that is anticipated to result in a 30-60% reduction in fuel consumption. A 30% reduction in fuel consumption equates to a reduction of 247 metric tons of green house gases over the ten (10) year life of the two (2) units. The new units will also meet the current EPA emission standards for heavy-duty diesel engines and therefore emit significantly less tail pipe emissions than the existing units.

*CONCLUSION*

Staff recommend acceptance of the low bids meeting specifications and providing best value from First Truck Centre Vancouver Inc. for the hybrid chassis at a cost of $240,118 and from Commercial Equipment Corp. for the aerial devices and service bodies at a cost of $322,806.

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