



ADMINISTRATIVE REPORT

Report Date: January 7, 2009
Contact: Mani Deo
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VanRIMS No.: 08-2000-20
Meeting Date: February 3, 2009

TO: Vancouver City Council
FROM: General Manager of Engineering Services
Manager of Supply Management
SUBJECT: Extension of Tender PS08034 - The Supply of Recycling Trucks

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C and D, that Council authorize the General Manager of Engineering Services and the Manager of Materials Management to exercise the option, as provided in the original tender document, to purchase an additional eighteen (18) recycling trucks from Rollins Machinery Limited at a total cost of \$3,680,469, 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, or 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

Tender PS08034 called for the supply and delivery of ten (10) recycling trucks with the option to purchase up to eighteen (18) trucks within two (2) years of the close of tender (March 25, 2008). Council awarded tender PS08034 to Rollins Machinery Limited on June 24, 2008.

In order to maintain standardization and consistency across the recycling truck fleet, it is recommended that the City exercise the option to purchase an additional eighteen (18) trucks that are identical to those approved previously.

The vendor has supplied updated pricing that has increased from its initial offering in March 2008. The price increases (approximately 7% for the single-side pick-up unit) are attributed to a decrease in the value of Canadian dollar from the time of the tender and an increase in the price of steel during the same period. Staff has verified the justification for the pricing increase and will continue to negotiate the best price possible prior to issuing the final purchase order.

Although offered as an option, the City did not select the dual side pick-up feature in the initial order. Three (3) of the eighteen (18) remaining trucks that require replacement have this feature. The three (3) units require this feature to service the tight lanes in the City as it eliminates the need to reposition the chassis in the tight lanes and allows pick-up from both sides of the chassis.

Table 1 below summarizes the unit and total pricing of each Item from the successful bidder. The pricing includes all the required options described above.

Table 1: Pricing Breakdown

Items	Single-Side Pick-up	Dual-Side Pick-up	Total
Chassis - Crane Carrier LET2	\$114,260	\$114,260	
Recycling Body - Labrie Topselect	\$78,829	\$93,856	
Automatic Lubrication System	\$5,420	\$8,762	
Ergonomics Modifications	\$2,900	\$2,900	
Total per unit	\$201,409	\$219,778	
Number of units	15	3	18
Total	\$3,021,135	\$659,334	\$3,680,469

FINANCIAL IMPLICATIONS

The units are scheduled and approved for replacement as part of the 2005, 2006, and 2007 Replacement Programs. Funding for the fifteen (15) single side pick-up and three (3) dual side pick-up recycling trucks totalling \$3,680,469, plus applicable taxes (less any municipal rebate received) and the Provincial Environmental Levy, will be provided from the Truck and Equipment Plant Account.

ENVIRONMENTAL IMPLICATIONS

The replacement units will meet current EPA emissions standards for heavy-duty diesel engines and therefore emit significantly less tail pipe emissions than the existing units. The new trucks will also use a minimum B5 blend of bio-diesel, which will also contribute to further green house gas emission reductions.

CONCLUSION

Staff recommend authorization to purchase an additional eighteen (18) recycling trucks from Rollins Machinery Limited at a total cost of \$3,680,469 for fifteen (15) single side pick-up units and three (3) dual side pick-up units.

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