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ADMINISTRATIVE REPORT

Report Date: February 10, 2009
Contact: Mani Deo
Contact No.: 604.326.4792
RTS No.: 07904
VanRIMS No.: 08-2000-20
Meeting Date: March 3, 2009

TO: Vancouver City Council

FROM: General Manager of Engineering Services
Manager of Supply Management

SUBJECT: Award Of Tender PS08163 - The Supply And Delivery Of Tandem Axle
Cab And Chassis

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 Supply Management to award to the low bid meeting specifications and providing best value from First Truck Centre Vancouver Inc. for six (6) 2009 Freightliner M2-106 tandem axle cab and chassis at a total cost of \$599,667, 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 Supply 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 November 5th, 2008 and referred to the General Manager of Engineering Services and the Manager of Supply Management for report.

The tender called for pricing for five (5) tandem axle cab and chassis with an option to purchase up to three (3) additional units within two (2) years. This report requests approval to purchase the five (5) units and exercise the option to purchase one (1) additional unit for a total of six (6) chassis. 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 tandem axle cab and chassis will be configured as dump trucks, and used to haul aggregate, sand, gravel, and dirt. One of the units will have a crane installed between the cab and the dump box and as such, this unit will require a longer wheelbase.

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 the report.

Four (4) bids were received from three (3) vendors, with pricing ranging between \$599,667 and \$758,971.

Bid 1 for \$599,667 meets requirements and is therefore the recommended bid.

FINANCIAL IMPLICATIONS

Five (5) tandem axle chassis were approved to be replaced as part of the 2008 and 2010 Equipment Replacement Programs. The sixth unit was approved by Council as a fleet addition in July 2008 (RTS 07368). Funds for the purchase of the six (6) units totalling \$599,667 (\$99,764 each for six (6) units, plus \$1,083 for an extended wheelbase on one (1) unit), 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

Accordingly, we recommend acceptance of low bid meeting specifications and offering best value from First Truck Centre Vancouver Inc. for six (6) 2009 Freightliner M2-106 tandem axle cab and chassis at a total cost of \$599,667 (\$99,764 each for six (6) units, plus \$1,083 for an extended wheelbase on one (1) unit).

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