



ADMINISTRATIVE REPORT

Report Date: January 16, 2015
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Meeting Date: March 4, 2015

TO: Standing Committee on City Finance and Services

FROM: General Manager of Vancouver Fire and Rescue Services and Chief Purchasing Official

SUBJECT: Contract Award for Supply and Delivery of Heavy Duty Fire Apparatus

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the General Manager of Vancouver Fire and Rescue Services (VF&RS), City's Director of Legal Services and the City's Chief Purchasing Official and enter into a contract with Safetek Emergency Vehicles Ltd. for the supply and delivery of 25 heavy duty fire apparatus at an estimated value of \$33,235,238, which includes PST, subject to the approval of Recommendation B.
- B. THAT Council approve an increase to the Multi-Year Capital Project Budget for replacement of Fire Apparatus and Vehicles in the amount of \$10,365,238, for a total revised Multi-Year Capital Project Budget of \$35,235,238 of which this award forms a portion (\$33,235,238), with no overall increase in the 2015-2018 Capital Plan as outlined in the financial implications section.

The funding sources for the increased Multi-Year Capital Project Budget for Fire Apparatus and Vehicles will be:

- Plant and Equipment Reserve \$8,703,819
 - UEL Fire truck Replacement Reserve - \$1,661,419
- C. THAT the Director of Legal Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A;
 - D. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the Director of Legal Services.

REPORT SUMMARY

The City issued RFP PS20140745 (the "RFP") in September 2014 for the Supply and Delivery of Heavy Duty Fire Apparatus. The RFP was advertised on City of Vancouver website and BC Bid and the work was called in accordance with the terms and conditions of the City's Procurement Policy AF-015-01.

City staff on the RFP evaluation committee, and, subsequently, the Bid Committee have considered the responses received and, on that basis, recommend that the City negotiate and, if such negotiations are successful, enter into a contract as described above with Safetek Emergency Vehicles Ltd.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid committee has considered and recommended Safetek Emergency Vehicles Ltd. as the preferred proponent.

In addition to replacement of current vehicles, this procurement includes a Special Operation High-Rise unit which is a new addition to the VF&RS fleet that was approved by Council on December 13, 2011(RTS 0856).

REPORT

Background/Context

The procurement of new apparatus to replace the end-of-life apparatus supports four of Vancouver Fire and Rescue Services' (VF&RS) strategic goals:

1. **Safe and Informed Community** - The new apparatus will be equipped with technology and equipment to allow VF&RS to more effectively respond to fires, medical emergencies, motor vehicle incidents, emergency rescue efforts, public service and hazards calls.

In addition, the proposed fleet composition will be a change from the current fleet as shown in Table 1, to better support the City's emergency preparedness programs and to meet needs of the changing community.

Table 1: Current and Proposed Fleet Composition

Description	Current Quantity in Fleet	Proposed Fleet Deployment	Quantity Due for Replacement	Procure through RFP PS20140745
Engine	18	27	5	14
Quint	14	0	14	0
Ladder	7	12	5	10
Tower	1	1	0	0
Special Operation	7	7	1*	1
Totals	47	47	25	25

The proposed change in fleet composition is to meet the City's current demands for:

- a) Increased pumping capacities -The pumping capacity of the proposed fleet will be increased to 2,000 gpm per unit to support the City's emergency preparedness plans.
 - b) Increased reach and load capacities - The proposed fleet of ladders will have a reach of a minimum of 100ft and a 750lbs tip load to satisfy operational strategies as community plans trend towards the development of multi-storey wood frame buildings.
 - c) A reduction in the number of apparatus and firefighters deployed to motor vehicle accidents - 5 engines will now be equipped with auto extrication equipment which will reduce the need for additional apparatus to attend the same emergency scene.
2. **Environmental Stewardship** - The new apparatus will produce 18% fewer Greenhouse Gas (GHG) emissions than existing units with the introduction of idle reduction technology.
 3. **Organizational Excellence** - Pumping and ladder reach capacities will be increased with the same number of apparatus.
 4. **People and Culture** - The new apparatus fosters a positive and safe working environment for VF&RS staff.

The purpose of the RFP was to identify and select a supplier who meets the City's requirements with a demonstrated capability to supply and service the City's required fire apparatus over the term of the contract with competitive pricing.

Strategic Analysis

The RFP was issued in accordance with the City's Procurement Policy. The City received responses from two (2) vendors in response to the RFP: Safetek Emergency Vehicles and Rocky Mountain Phoenix. The responses were evaluated through the work of an evaluation team comprised of representatives from VF&RS and Engineering Services under the stewardship of Supply Chain Management to ascertain which response offered best overall value to the City. Both quantitative and qualitative factors were evaluated.

Some of the criteria considered in the overall evaluation process included:

- Technical Aspects of the Vehicles
- Financial Offering
- Proponent's Abilities
- Financial and Risk Management
- Sustainability

Based on the overall evaluation, the team concluded that the proposal submitted by Safetek Emergency Vehicles Ltd. best met the City's requirements and provided best overall value to the City.

Financial

Upon approval of Recommendation B, the Multi-Year Capital Project Budget for replacement of VFRS apparatus and vehicles will increase to \$35,235,238, of which \$33,235,238 is for the procurement of the 25 fire apparatus that form part of this award.

The original 2014 Multi-Year Capital Project Budget of \$24,870,000 was for the replacement of 32 fire apparatus and vehicles of which \$22,870,000 was for 24 heavy duty apparatus and \$2,000,000 for 8 Rescue medic vehicles (the 8 rescue vehicles will be procured at a future date).

The proposed budget required for the heavy duty fire apparatus has increased by an estimated \$10,365,238 due to the following factors:

- (a) \$3,610,040 in changes in scope including:
 - a. \$1,400,000 for the addition of one ladder (for a total award of 25) that is due for replacement and fully funded by the University Endowment Lands and the funds are held in reserve
 - b. \$2,210,040 due to the refinement of the configuration and engine specifications to meet the operating requirements
- (b) \$6,755,198 in changes in price including:
 - a. \$2,426,500 million for equipment prices greater than when the budget was set in the 2014 Capital Budget;

- b. \$4,328,698 million due to the impact of the rapidly depreciating Canadian dollar. The vendor obtains the truck chassis and the majority of the equipment from a US supplier

The additional \$10,365,238 required to purchase the 25 heavy duty apparatus will be allocated from within the existing 2015-2018 Capital Plan: \$3,610,040 from the Vehicle and Equipment category and \$6,755,198 from Inflation Contingency category in the Plan.

The funding for these incremental costs to this purchase come from:

- Plant and Equipment Reserve \$8,703,819
- UEL Fire truck Replacement Reserve - \$1,661,419

The estimated contract value of \$33,235,238 Canadian is calculated based on US pricing which will expire on March 14 2015. Pending Council approval, the contract will be signed by that date or pricing will rise. The final Canadian dollar price will be determined on the date that the contract is signed.

Legal

The City's Procurement Policy requires that contracts approved by Bid Committee with values of over \$2 million must be concurred on by the Director of Legal Services.

CONCLUSION

In summary, City staff recommends that the City of Vancouver negotiate and, if such negotiations are successful, enter into a contract with Safetek Emergency Vehicles Ltd., for supply and delivery of 25 heavy duty fire apparatus. In addition, City staff recommends adding \$10,365,238 to the Capital Project Budget for VFRS apparatus and vehicle replacement for a revised total Capital Project Budget of \$35,235,238.

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