



## ADMINISTRATIVE REPORT

Report Date: April 7, 2015  
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Meeting Date: May 13, 2015

TO: Standing Committee on City Finance and Services  
FROM: General Manager of Engineering and Chief Purchasing Official  
SUBJECT: Contract Award for Supply and Delivery of Various Light Duty Vehicles

### **RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering, City's Director of Legal Services, and the City's Chief Purchasing Official and enter into a contract with Metro Motors Ltd, for supply and delivery of various light duty vehicles, for a term of three (3) years, with the option to extend for two(2) additional one(1) year terms, with an estimated contract value of \$6,347,000 plus applicable taxes over the initial three-year term, to be funded by the approved Vehicle Replacement Capital budgets.
- B. FURTHER THAT the Director of Legal Services, Chief Purchasing Officer and General Manager of Engineering be authorized to execute on behalf of the City the contract contemplated by Recommendation A; and
- C. 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 authorized signatories of the City as set out in Recommendation B above.

### **REPORT SUMMARY**

The City issued RFP PS20140836 in September 2014 for the Supply and Delivery of Various Light Duty Vehicles. 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 Metro Motors Ltd.

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### ***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 Metro Motors Ltd. as the successful proponent.

### ***REPORT***

#### ***Background/Context***

The City requires the usage of various light duty vehicles to complete City work on a daily basis. The City's fleet operations are operated by Equipment Services who manages the City's fleet of approximately 700 light duty vehicles which accounts for approximately 40% of all ICBC insured City equipment assets. Each City owned vehicle is put into a renewable lifecycle to ensure that the maximum value is obtained during its useful life prior to its replacement. Each replacement is purchased according to the City's Procurement Policy. The average age of the vehicles in the City's fleet is 7.3 years (only includes the classes of vehicles that would be replaced under this contract). Over the course of the initial 3 year term of the light duty vehicle supply agreement, 172 units (25 automobiles, 89 pickup trucks and SUV's, and 58 vans) are expected to be replaced. All anticipated replacements are subject to analysis designed to reduce the City's fleet by 20%. The supply agreement supports the City's Greenest City 2020 Action Plan by replacing end-of-life vehicles with new models which meet the latest fuel efficiency and emissions ratings.

By replacing the City's end-of-life light duty vehicles with the latest technologies available, the replacements will support the Greenest City Action plan as well as the Green Fleet Goal of reducing the overall fleet emissions to 30% below 2007 levels by 2020. The replacements performed during the initial 3 year term of the contracts are expected to result in an annual emission reduction of 164.4 tonnes of CO<sub>2</sub>e.

All vehicles purchased under this contract will be as fuel efficient as possible while still meeting operational requirements. The automobiles purchased will have either hybrid or purely electric drivetrains. An automobile's engine powertrain will depend on the daily utilization and payload requirements. The pickup trucks purchased will have gas, biodiesel or CNG engines. 17 units have been identified as potential CNG replacements. A pickup truck's engine will depend on the payload requirements and fueling infrastructure available. The minivans and panel vans will have either a 2.5L or 3.7L gas engine or a 3.2L biodiesel engine capable to B20. A van's engine will depend on the size of the van and the payload requirements.

The purpose of the RFP was to identify and select a supplier who meets the City's requirements with a demonstrated capability to supply the City's estimated demand for light duty vehicles over the term of the contract with competitive pricing.

### ***Strategic Analysis***

The RFP was issued in accordance with City's Procurement Policy AF-015-01. The City received responses from ten (10) vendors in response to the RFP: Brown Bros. Ford, Chrysler Canada Inc., Coastal Ford, Jim Pattison Auto Group, Mercedes-Benz, Metro Motors Ltd., Mitsubishi Motor Sales of Canada, Inc., OpenRoad Auto Group, Western Star & Sterling Trucks and Zeemac Vehicle Lease Ltd. The responses were evaluated through the work of an evaluation team comprised of various representatives from Equipment Services and Streets Division 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:

- Financial offering
- Assessment of the vendors' abilities to supply the vehicles
- Technical assessment of the vehicles
- Environmental impact of the vehicles offered
- Initial supply agreement and ongoing training for service and parts staff
- Warranty
- Supply of maintenance documentation and manuals
- Sales, service and parts support
- Delivery terms

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

### ***Financial Implications***

Finance has reviewed the financial information and confirmed that funding for the contract is available through the approved Vehicle Replacement Capital budget. As a result of the RFP process, based on anticipated usage, the City is forecasting savings of approximately \$441,000 over the initial 3 year term.

### ***Legal***

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of Legal Services.

### ***CONCLUSION***

In summary, City staff recommends that the City of Vancouver negotiate and enter into a three (3) year contract, with the option to extend the contract for an additional two (2) one(1) year terms, with Metro Motors Ltd. for Supply and Delivery of Various Light Duty Vehicles.

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