



## ADMINISTRATIVE REPORT

Report Date: May 13, 2015  
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Meeting Date: May 27, 2015

TO: Standing Committee on Planning, Transportation and Environment  
FROM: General Manager of Engineering Services and Chief Purchasing Official  
SUBJECT: Contract Award for Supply and Delivery of Various Medium Duty Vehicles

### **RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate, to the satisfaction of the City's General Manager of Engineering Services, the 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 medium 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 \$3,130,000 (plus applicable taxes) over the initial three-year term, to be funded by the approved Vehicle Replacement Capital budgets.
- B. THAT the Director of Legal Services, the Chief Purchasing Official and the General Manager of Engineering Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- 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 a RFP PS20140585 in September 2014 for the Supply and Delivery of Various Medium 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.

## ***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 medium duty vehicles to complete City work on a daily basis. The City's fleet operations are operated by Equipment Services who manage the City's fleet of approximately 140 medium duty vehicles which accounts for approximately 8% of all ICBC insured City equipment assets. Each City owned vehicle's lifecycle is calculated 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 medium duty vehicles in the City's fleet is 9.3 years. Over the course of the initial 3 year term of the medium duty vehicle supply agreement, 76 units (59 cab-chassis, 14 strip chassis, and 3 cutaway chassis) are expected to be replaced. All vehicles up for replacement over the timeframe of this contract will be subject to the operational goals of a 20% reduction of the City's fleet and the greening of the City's fleet under the Greenest City 2020 Action Plan and specifically 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 contract are expected to result in an annual emission reduction of 26.5 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 cab-chassis purchased will either have E10 gasoline, B20 biodiesel or CNG engines varying from a 6.7L diesel to a 6.8L E10/CNG engine depending on the vehicle location and payload requirements. The strip chassis purchased will have a 6.8L CNG engine. The cutaway chassis purchased will have a 6.7L B20 biodiesel engine.

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 medium duty vehicles over the term of the contract with competitive pricing.

### ***Strategic Analysis***

The RFP was issued in the accordance with City's Procurement Policy AF-015-01. The City received responses from eight (8) vendors in response to the RFP: Chrysler Canada, Coastal Ford, Dams Ford Lincoln, First Truck Centre, Harbour International, Metro Motors Ltd., Western Star and Sterling Trucks and Zeemac Vehicle Lease Ltd. The responses were evaluated by a team comprised of various representatives from Equipment Services and the Streets Division of 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:

- 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 as required by the City

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***

Contract allows for purchases on an "as-needed" basis. 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 \$132,000 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 Medium Duty Vehicles.

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