



ADMINISTRATIVE REPORT

Report Date: May 8, 2018
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Meeting Date: June 6, 2018

TO: Standing Committee on City Finance and Services
FROM: General Manager of Engineering Services and Chief Purchasing Official
SUBJECT: Contract Award for CNG Combination Sewer Cleaner Trucks

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering, Director of Legal Services, and Chief Purchasing Official, and enter into a contract with Vimar Equipment Ltd. to supply and deliver five CNG Combination Sewer Cleaner Trucks (Sewer Cleaner Trucks). The estimated contract value is \$2,923,430 plus applicable taxes. The contract term will be three years, with the option to extend for two additional one year terms to be funded through the 2015-2018 Fleet & Equipment Replacement Capital Plan.
- B. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of Engineering 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 the above Recommendations.

REPORT SUMMARY

The City issued a request for proposals (RFP), RFP PS20160912 on April 21, 2017. The RFP was advertised on the City of Vancouver website and BC Bid, and the bid was called in accordance with the terms and condition 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 describe above with Vimar Equipment Ltd.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy ADMIN-008 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 Vimar Equipment Ltd. as the successful Proponent.

REPORT

Background/Context

The City's Sewer Operations Branch (Sewers) operates five sewer cleaner trucks to primarily support sewers operations and maintenance programs. These trucks also support hydro excavating work as needed. The trucks are specialized for the work they perform, and require a tandem axle chassis and a combination sewer cleaner body. The trucks primarily function by using the combination of high pressure water jets and vacuums to dislodge dirt or debris in sewer lines. The current fleet of these sewer cleaner trucks need to be replaced; four are at end of life and require immediate replacement and one more will require replacement during the term of this contract. The City intends to purchase two CNG sewer cleaner trucks in 2018; two CNG units in 2019, and one more in 2021.

Strategic Analysis

The RFP was issued in accordance with the City's Procurement Policy ADMIN-008. The City received responses from Kendrick Equipment Ltd., Vimar Equipment Ltd. and Rollins Machinery Ltd. The responses were evaluated through the work of an evaluation team comprised of representatives from Equipment Services and Sewer Operations under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City, both quantitative and qualitative factors were evaluated, which included:

- 1) Technical requirements including: performance specifications, ability to meet operational requirements, quality and durability, ability to increase uptime, and chassis and body manufacturer history and experience.
- 2) Service and Warranty including: maintenance service and support, account management, schedule and work methodology, training (mechanic and operator) and warranty terms and costs.
- 3) Environmental Leadership including: energy efficiency and emissions of engine, alternative fuel type and organization's ethical, social and environmental standards.
- 4) Financial requirements including: a comparative analysis of the Proponents price for the CNG Sewer Cleaner Trucks plus selected options and fuel and maintenance costs.

Based on the overall evaluation, the team concluded that the proposal submitted by Vimar Equipment Ltd. best met the City's requirements and provides best overall value to the City.

Financial Implications

Finance has reviewed and confirmed that funding is available and will be provided through the approved 2015-2018 Fleet & Equipment Replacement Capital Plan.

Environmental Implications

The proposed CNG sewer cleaner trucks have the following key emissions benefits:

- 1) The CNG engine is rated to run on Renewable Natural Gas without any impact on warranty issues. This will allow for these units to reduce their CO2e emissions 99.5% below current levels from 131 tonnes to 0.5 tonnes of CO2e annually.
- 2) The CNG Sewer Cleaner Trucks would reduce the amount of particulate matter by 99% and nitrous oxide by 99% compared to the existing Sewer Cleaner Trucks.

Additionally, the selected CNG sewer cleaner trucks from Vimar Equipment Ltd. have the following key sustainability benefits:

- 3) The high pressure water jetting system is hydraulically driven via a dedicated pump to optimize the use of engine horsepower.
- 4) Vimar Equipment Ltd. offers an optional water recycling system.

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 two (2) additional one (1) year terms, with Vimar Equipment Ltd. for the supply and delivery of CNG Sewer Cleaner Trucks.

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