



## COUNCIL REPORT

Report Date: May 28, 2024  
Contact: Alexander Ralph  
Contact No.: 604-829-2092  
RTS No.: 16385  
VanRIMS No.: 08-2000-20  
Meeting Date: June 26, 2024  
[Submit comments to Council](#)

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

### Recommendations

- A. THAT Council authorize City staff to negotiate an agreement for the Supply and Delivery of Light and Medium Duty Vehicles with Metro Motors Ltd. for a 5-year term with 2 additional 2-year possible unilateral extension terms (the “Agreement”) with an estimated total contract value of \$43,102,035 over the initial five (5) year term, which will be funded from the 2023 – 2026 Capital Plan for Fleet Replacement. Actual purchases will be based on the Approved Multiyear Capital Budget for the various 2023 – 2026 Replacement Programs. The estimated contract value for the entire potential term, including all possible extension terms, is \$77,583,663, plus applicable taxes; and
- B. THAT Council authorize City staff to negotiate an agreement for the Supply and Delivery of Light and Medium Duty Vehicles with Dueck Auto Group for a 5-year term with 2 additional 2-year possible unilateral extension terms (the “Agreement”) with an estimated total contract value of \$4,491,432 over the initial five (5) year term, which will be funded from the 2023 – 2026 Capital Plan for Fleet Replacement. Actual purchases will be based on the Approved Multiyear Capital Budget for the various 2023 – 2026 Replacement Programs. The estimated contract value for the entire potential term, including all possible extension terms, is \$8,084,577, plus applicable taxes; and
- C. THAT Council delegate its authority to execute the Agreement to the City’s Director of Legal Services, Chief Procurement Officer, and General Manager of Engineering Services.

No legal rights or obligations will be created by Council’s approval of Recommendations A and B unless and until the City executes and delivers the Agreement.

## **Purpose and Executive Summary**

The City issued a Request for Proposal, PS20230587 on December 19, 2023 for the Supply and Delivery of Light and Medium Duty Vehicles. The City advertised the RFP on the City of Vancouver website in accordance with the City's Procurement Policy (ADMIN-008). City staff on the RFP evaluation committee and the Bid Committee have considered the responses received and recommended that the City negotiate, and enter into, an agreement with Metro Motors Ltd. and Dueck Auto Group.

## **Council Authority/Previous Decisions**

The City's Procurement Policy (ADMIN-008) requires Council approve contracts with a total value greater \$3,000,000 following review and recommendations by the City's Bid Committee. The Bid Committee has considered the bids and recommends Metro Motors Ltd. and Dueck Auto Group as the successful proponents.

There is no applicable Council authority or previous decisions related to this report.

## **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

## **Context and Background**

The City's Department of Engineering Services, Fleet and Manufacturing Services, requires Light and Medium Duty vehicles to replace aging fleet vehicles across various City branches.

The City's primary procurement objective is to execute long term contracts for supply and delivery of light and medium duty vehicles for when such supply is required. By developing long term contractual relationships with these two light and medium duty vehicle providers, the City has met the following objectives:

- Direct cost savings on vehicles due to a reduction of vendors' cost of doing business with the City through economies of scale and better planning
- Direct cost savings through volume discounts offered by Metro Motors Ltd.
- Indirect cost savings through vendor consolidation
- Increased standardization (spare parts, training, processes)
- Improved vendor support (pre-sales and service and repair)
- Increased supply chain efficiency through end-to-end collaboration including forecasting for security of supply

The categories of vehicles required include the following:

- Panel Van
- Chassis Cab Van
- Cutaway Van
- Pickup
- Cab Chassis Truck
- Police Unit
- Stripped Chassis
- Electric Light Duty

The purpose of the RFP was to identify supplier(s) with the capability to meet the City's estimated demand over the term of the contract at competitive pricing and satisfactory service requirements.

### **Discussion**

The RFP was issued in accordance with the City's Procurement Policy (ADMIN-008). The City received responses from the following vendors for PS20230587-ENG-RFP:

- Metro Motors Ltd.
- Dueck Auto Group
- FCA Canada Inc.
- First Truck Centre

The responses were evaluated, using both quantitative and qualitative factors, by an evaluation team comprised of representatives from Engineering Services, under the stewardship of Supply Chain Management, to assess each response's overall value.

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

- Company profile, qualifications, relevant experience and references
- Key personnel and account management process
- Ordering Process
- Upfitting
- Training
- Maintenance, warranty and support services
- Technical requirements including specification compliance
- Sustainability

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

Metro Motors Ltd was able to supply the best value option in each of the 8 posted categories. Dueck was able to supply two vehicle options in the sub categories of Police Unit – Electric and Electric Light Duty – Sedan that were not available from Metro Motors but are of value to the City.

### **Financial Implications**

Finance has reviewed and confirmed that funding is available from the 2023 – 2026 Capital Plan for Fleet Replacement. Actual purchases will be based on the Approved Multiyear Capital Budget for the various 2023-2026 Replacement Programs. The estimated project budget is a subset of the Approved Multiyear Capital Plan for Fleet Replacement.

### **Legal Implications**

The City's Procurement Policy (ADMIN-008) requires the Director of Legal Services to execute all contracts that have been awarded by the Bid Committee and Council.

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