

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee

**From:** Anna Lisa Barbon, CPA, CGA  
Deputy City Manager, Finance Supports

**Subject:** SS-2024-289 Single Source Procurement of Fleet Equipment  
from a Group Procurement Organization

**Date:** October 22, 2024

## Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions **BE TAKEN** with respect to the single source procurement of multiple Fleet Vehicles and Equipment through two Group Procurement Organizations:

- a) Approval **BE GIVEN** to execute Single Source purchases in accordance with Section 14.4(g) of the City of London's Procurement of Goods and Services Policy;
- b) Single Source negotiated pricing with Supply Ontario **BE ACCEPTED** to purchase twelve cargo vans and one pickup truck for a total estimated price of \$743,384 (excluding HST) from Highbury Ford Sales Ltd in London;
- c) Single Source negotiated pricing with Canoe **BE ACCEPTED** to purchase seven tandem dump trucks with snowplows for a total estimated price of \$2,475,625 (excluding HST) from Carrier Truck Centers in London;
- d) Single Source negotiated pricing with Canoe **BE ACCEPTED** to purchase three compressed natural gas front end loading garbage trucks for a total estimated price of \$1,818,696 (excluding HST) from Vision Truck Group in Cambridge;
- e) Single Source negotiated pricing with Canoe **BE ACCEPTED** to purchase two golf triplex trim mowers and three pull behind debris blowers for a total estimated price of \$195,610 (excluding HST) from Turf Care Products Ltd. in St. Marys;
- f) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these purchases;
- g) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval in accordance with Section 14.4(g) of the Procurement of Goods and Services Policy; and,
- h) That the funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached, hereto, as Appendix A.

## Executive Summary

This report requests approval for Fleet Services to use Group Procurement Organizations (GPOs) in accordance with the Procurement of Goods and Services Policy to procure a specific group of equipment from the approved 2024 Fleet capital replacement budget. Three Request for Proposal's (RFPs) from Canoe Procurement Group of Canada and one Tender from Supply Ontario (Ministry of Government Services) offer equipment from qualified bidders that meet our operational

requirements. Using GPOs for competitive procurement will reduce administrative costs, shorten procurement timelines, and ensure preferred pricing.

The vehicles and equipment identified in this report are replacing assets that have reached the end of their useful lifecycle and require replacement to maintain current levels of service. The scheduled life cycle replacements include:

- Twelve light-duty utility cargo vans, and one pickup truck,
- Seven tandem dump trucks with snowplows,
- Three Compressed Natural Gas (CNG) powered front-end loading garbage trucks,
- Two triplex trim mowers and three pull-behind debris blowers.

## **Linkage to the Corporate Strategic Plan**

This recommendation supports the 2023-2027 Strategic Plan by contributing to the following strategies:

- Well-Run City - Continue to deliver municipal services that meet the needs of a growing and changing community.
- Climate Action and Sustainable Growth - Implement the Climate Emergency Action Plan with a focus on actions up to 2027 that will contribute towards achieving 2030 emissions reduction targets.

## **Analysis**

### **1.0 Background Information**

#### **1.1 Previous Reports Related to this Matter**

Fuel Switching – Diesel to CNG (CWC – September 25, 2018, Business Case - Switching to Compressed Natural Gas for Waste Collection Vehicles)

Fleet EV Chargers (CWC – October 13, 2021, Non-Repayable Contribution Agreement with Canada for Installation of Fleet Electric Vehicle Charging Stations)

#### **1.2 Background**

In January 2024, the City publicly notified suppliers through Bids and Tenders (Notice-2024-002) of its intent to participate in procurements conducted by several cooperative buying groups. Fleets Services with the support of Procurement and Supply have determined three RFPs from Canoe Procurement Group of Canada and one Tender from Supply Ontario that provide equipment meeting our operational requirements for upcoming life cycle replacements. This approach leverages a transparent bidding process, resulting in the acquisition of qualified equipment. Fleet Services is requesting authorization to use GPOs to procure equipment outlined in this report in accordance with 14.4 (g) of the Procurement of Good and Services Policy.

This report outlines the scheduled lifecycle replacement of various vehicles and equipment in the 2024 Fleet Services capital replacement budget. The GPOs Canoe Procurement Group of Canada and Supply Ontario are offering equipment from qualified bidders that are within approved Fleet capital budgets and meet operational requirements determined by the respective Service Area. In several instances maintaining a standard design as other units of similar class, will benefit the organization including reduced training requirements, enhanced operational safety, less spare part inventory and less maintenance downtime.

From a climate screening perspective, the electric and natural gas equipment brought forward in this report will reduce annual municipal fleet emissions by 1.5%. The 13 light-duty vehicles will transition to zero tailpipe emissions and 3 CNG garbage trucks will

reduce their emissions by 25%, collectively avoiding 700 tonnes of GHG emissions over the equipment's lifecycle. Given product availability, performance requirements, electrical infrastructure, and approved funding, some equipment cannot transition away from fossil fuel at this time, however Fleet Services will continue to evaluate replacements with the goal of reducing carbon emissions.

## **2.0 Discussion and Considerations**

*Light Duty Electric Vehicles* - In 2024, twelve light duty utility cargo vans and one pickup truck at the Bathurst operations yard are scheduled for replacement. With the recent installation of twenty Level 2 EV charging ports at Bathurst yard, Fleet Services recommends replacing all 13 gasoline-powered vehicles with battery electric vehicles (BEV) of similar performance and size. The utility cargo vans support various mobile trades across the City, including mechanics, plumbers, electricians, water meter services, and pollution control. From a Climate Lens perspective, transitioning these 13 units to electric will result in an average fuel savings of approximately \$2,100 and a reduction of 4.5 tonnes of greenhouse gas emissions per vehicle per year. Although additional funding was not supported through the 2024-2027 Multi-Year Budget for the purchase of additional electric vehicles, favourable pricing as noted in Section 2.1 below, allows the ability to procure electric vehicles within existing approved budgets instead of the anticipated gas-powered vehicles.

*Tandem Dump Truck with Plow* - In 2024, seven tandem dump trucks with snowplows are scheduled for replacement. The City's tandem axle dump trucks are versatile assets used year-round across Road Operations, Sewer Operations and Water Operations. During the summer construction season, these trucks transport granular materials and haul away excavated materials from projects. In the winter season all forty units are outfitted for various operational activities including snow loading, snow plowing and sand/salt spreading. A market scan revealed there are currently no viable hybrid or electric power options for our distributed fleet of tandem trucks. However, Fleet Services will continuously assess the feasibility of alternative fuels such as natural gas or renewable diesel.

*Front End Garbage Truck* – Three front-end loading garbage trucks were scheduled for replacement in 2024. However, the truck due for replacement in 2025 was prematurely replaced after recently becoming inoperable. The fleet includes seven top loading packers that collect garbage from multi-residential and high-rise buildings, numerous townhomes complexes, various City facilities (e.g., community centres, Storybook Gardens, etc.), and other collections from the Enviro Depots. All three replacements will be equipped with natural gas engines, cutting greenhouse gas emissions by an estimated 11 tonnes per truck and saving \$6,000 in fuel per truck annually. Fuel savings from the transition will help repay the loan from the Efficiency, Effectiveness, and Economy (EEE) reserve, which funded the natural gas modifications at the Exeter Road maintenance garage.

*Golf Triplex Mowers and Debris Blowers* – In support of Golf operations, two rotary mowers are scheduled to be replaced. These mowers are essential for maintaining challenging areas around greens and bunkers. Additionally, three tow behind blower units which are crucial for clearing cart paths, paved roadways, and blowing away grass clippings and other organic debris, are also due for replacement. After conducting a market scan, it was determined there are currently no electric or hybrid options available that meet the specific requirements for these mowers and tow behind blowers.

### **2.1 Procurement Process**

The City issued public notification Notice-2024-002 of its intent to use various GPOs on January 4, 2024 ([Bids and Tenders - London](#)) including Canoe Procurement Group of Canada and Supply Ontario (Ministry of Government Services). The City is a registered member of the Canoe Procurement Group of Canada and is also registered as a non-Ontario Public Service (OPS) client with Supply Ontario. With guidance from Procurement and Supply, Fleet Services will acquire equipment through GPO contracts

from Ford Motor Company of Canada, International Truck, Mack Truck, Toro Company, and their respective authorized dealers.

**Ford Motor Company of Canada** (Highbury Ford Sales Ltd of London)

The purchase includes twelve 2024 Ford E-Transit 350 Cargo Vans and one 2024 Ford F150 Lightning Pro (commercial fleet version) through Supply Ontario Vendor of Record Contract Tender 19514 - Vehicle Acquisition and Upfitting Services. With Ford's delivery allowance discount (\$2,000/cargo-van and \$1,000/pickup) and the Federal point-of-sale incentives (\$10,000/cargo-van from the iMHZEV Program and \$5,000/pickup from the iZEV Program) the electric vehicle options are supported within existing approved capital budgets. The total quoted price for thirteen light vehicles after calculating the pretax and post tax incentives from Highbury Ford Sales is \$743,384 (excluding HST).

**International Truck** (Carrier Truck Centers of London)

The purchase of seven 2025 International HV607 Tandem truck chassis equipped with Viking-Cives mounted snowplows and dump body through Canoe Procurement Group of Canada RFP #032824-NVS HV Series. The total quoted price for seven HV Series trucks with Viking plow and wing from Carrier Truck Centres is \$2,475,625 (excluding HST).

**Mack Truck** (Vision Truck Group of Cambridge)

The purchase of three CNG powered 2025 Mack LR 64R chassis with a Labrie-Wittke Starlight 40 cubic yard front end loader bodies through Canoe Procurement Group of Canada RFP #032824-MAK Mack LR. The total quoted price for three Mack LR trucks with Labrie-Wittke body from Vision Truck Group is \$1,818,696 (excluding HST).

**Toro Company** (Turf Care Products Canada Ltd of St. Marys)

The purchase of two golf triplex trim mowers and three pull behind debris blowers through Canoe Procurement Group of Canada RFP #031131-TTC Ground Maintenance Program. The total quoted price for these units from Turf Care Products Canada Ltd is \$195,610 (excluding HST).

Fleet Services and Procurement and Supply recommend utilizing the group buying opportunities offered by the respective GPOs, given the benefits outlined in this report. This recommendation is in accordance with Section 14.4 (g) of the Procurement of Goods and Services Policy:

- 14.4 g. It is advantageous to the City to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body or a Group Procurement Organization (GPO);

As per section 14.5 a) ii) of the Procurement of Goods and Services Policy, Committee and City Council must approve a single source award greater than \$50,000, unless otherwise permitted by the policy.

Fleet Services, in collaboration with Procurement and Supply Services, will continue to explore group purchasing opportunities to reduce costs, streamline the purchasing process, standardize vehicles and equipment, and ensure that operational requirements are met.

### **3.0 Financial Impact**

All equipment listed in this report is scheduled for replacement as part of established and budgeted lifecycle planning, to support of current level of service.

Funding for the equipment identified in this report is available in the Fleet Services approved capital replacement budget ME202401 - Vehicle and Equipment Replacement TCA and additional transfer from Waste Management budget for the Top Loaders as outlined in the attached Appendix A - Source of Financing.

The fuel savings generated from the transition from gasoline to electric vehicles will be reflected in adjusted internal rental rate charges. Additionally, fuel savings from the three top loaders switching to CNG will contribute towards the EEE loan repayment that funded the required garage modifications for servicing natural gas trucks.

## **Conclusion**

In accordance with section 14.4 (g) of the Procurement of Goods and Services Policy, Fleet Services is requesting approval to purchase the equipment outlined in this report through Group Purchasing Organizations. This procurement approach offers several advantages to the City including reduced administrative costs, shorten procurement timelines, standardization of equipment, and secures preferred pricing to participating agencies.

**Prepared by:**                    **Drew Freeman, M.A., P.Eng.**  
**Senior Manager, Fleet Services**  
**Finance Supports**

**Submitted by:**                **Lynda Stewart**  
**Director, Fleet and Facilities**  
**Finance Supports**

**Recommended by:**        **Anna Lisa Barbon, CPA, CGA**  
**Deputy City Manager**  
**Finance Supports**

cc:     Steve Mollon, Senior Manager, Procurement & Supply  
       Dave Fawcett, Manager Fleet Planning  
       Sneha Madur, Engineer, Corporate Energy Management

Appendix A – Source of Financing