

TO:	CHAIR AND MEMBERS FINANCE & ADMINISTRATIVE SERVICES COMMITTEE MEETING ON MONDAY, MAY 28, 2012
FROM:	JOHN BRAAM, P.ENG ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	TENDER 12-57 SUPPLY AND DELIVERY OF CAB & CHASSIS

RECOMMENDATION

That, on the recommendation of the Acting Executive Director, Planning, Environmental & Engineering Services & City Engineer,

- a) The tender for the supply and delivery of five (5) Cab & Chassis submitted submitted by Team Truck Centers London (Ltd.), 795 Wilton Grove Road, London, Ontario N6N 1N7 at their tendered price of \$504,500.00 (excluding HST), **BE ACCEPTED**; and
- b) The funding for this purchase **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A".
- c) That the Civic Administration **BE AUTHORIZED** to undertake all administrative acts which are necessary in connection with this award; and
- d) Approvals hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order relating to the subject matter of this approval.

BACKGROUND

When the City purchases new garbage packers, two tendering process are undertaken; one for the Cab and Chassis (this report) and the other for the Packer Bodies (a separate, companion report, Tender 12-58, contains those details).

Purchasing Process

Six (6) qualified suppliers were invited and the tender was advertised and posted on our website. Three (3) bids were received in total, one (1) bid failed to meet our closing requirements and was rejected; the remaining submissions were then reviewed by the Manager of Operations to ensure compliance with our specifications. Team Truck Centers London (Ltd.), submitted the lowest bid that meets our terms, conditions and specifications in all areas.

Discussion

On an annual basis, Fleet Services replaces vehicles as outlined in the Fleet Division vehicle replacement policy in accordance with the Procurement of Goods and Services Policy. These new units will be replacing existing units that are used by the Solid Waste Operations Division. The 5 garbage packers being replaced will have an average age of 12 years when they come out of service. It is important to note that vehicles at this age begin to have higher annual operating costs and are far less reliable due to their age. In 2011, City staff began to increase the lifecycle of a garbage packer to 9 years from the previous average age of 8 years before replacement. The impact of keeping these units longer than the prescribed lifecycle of 9 years has demonstrated that maintenance does go up sharply in the post life years. Also of note is that the capital expenditure for the complete replacement (cab, chassis and packer body) increased by almost \$20,000 per unit.

Additional review by Solid Waste Management staff has confirmed that the purchase of these new vehicles (cab and chassis components) is consistent with the direction of the solid waste collection program for the foreseeable future. It is worth noting that the cabs and chassis have been specified to be able to accommodate some vehicle modification in the future (e.g., different packer body) should there be a change in direction. The equipment being purchased also reflects the general industry standard for garbage packers.

Financial Impact

Funding has been allocated in Capital Account ME 2011; a summary of bids is attached as Appendix "B".

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Acknowledgements

This report was prepared by Frank Vanhie, Manager of Operations, Chris Ginty C.P.P.B, Procurement Officer, Purchasing and Supply, and Kevin Springer, Supervisor, Solid Waste (Collection) Operations.

SUBMITTED BY:	REVIEWED & CONCURRED BY:
MIKE BUSHBY DIVISION MANAGER, FLEET SERVICES	MIKE TURNER DEPUTY CITY TREASURER
REVIEWED & CONCURRED BY:	RECOMMENDED BY:
JAY STANFORD, M.A., M.P.A. DIRECTOR, ENVIRONMENTAL PROGRAMS & SOLID WASTE	JOHN BRAAM, P.ENG. ACTING EXECUTIVE DIRECTOR, PLANNING, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

Cc: John Freeman, Manager, Purchasing & Supply

Appendix A Sources of Financing

Appendix B Summary of Bids