

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JUNE 19, 2018
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR – ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	RFP 18-14 - HYDRO EXCAVATORS

RECOMMENDATION

That, on the recommendation of the Managing Director - Environmental & Engineering Services & City Engineer,

- a) Recommendation from the RFP evaluation committee **BE ACCEPTED** to purchase two (2) Vactor HXX 2-Stage Fan Hydro Excavators for \$570,000.00 + HST per unit from Federated Signal and Tool (FST) - Joe Johnson Equipment Inc. (JJEI) 2521 Bowman St. Innisfil Ontario L9S 3V6;
- b) Funding for this purchase **BE RELEASED** as set out in the Source of Financing Report attached hereto as Appendix "A";
- c) Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this purchase; and,
- d) 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.

STRATEGIC PLAN 2015-2019

This report and recommendation supports several strategic priorities including;

Building a Sustainable City

Robust Infrastructure – Manage and improve water infrastructure and services, Water and Wastewater Business Plans, State of the Infrastructure Report

Strengthening our Community

Healthy, Safe and Accessible City – Provide safe drinking water

Leading in Public Service

Excellent Service Delivery – At Your Service

BACKGROUND

PURPOSE

The purpose of this report is to seek approval to proceed with the purchase of two (2) Vactor HXX Fan Hydro Excavators for Water Operations. One unit is an additional unit as approved through the Water Operations Multi-Year Capital Budget process and the second unit is replacing the existing 2007 Vactor Hydro Excavator that is in the internal fleet currently and has reached its optimum life cycle.



CONTEXT

Water Operations currently utilize hydro excavator technology to help facilitate a variety of underground repairs and maintenance tasks to the more than 1,550 km of watermain and associated connections and services. These units use high pressured water to loosen the soil and air vacuum technology to transfer material to the debris tank. The equipment safely excavates material exposing the underground water assets with minimal disturbance to the surrounding area. This capability provides work efficiencies, damage control, increases public and worker safety and promotes quick restoration of construction projects resulting in less traffic and commerce disruption.

In addition to the cost and time savings, hydro excavation provides a safe and effective method to uncover and expose underground utilities like hydro and gas lines and practically eliminates the risk of damage to those services. This method also reduces the environmental impact of our activities compared to mechanical excavation techniques. Vacuum trucks are less invasive, reduce surface and soil disruption, reduce silt impacts to storm water systems, requires less equipment needed to support trenching and excavations, and minimizes tree damage and/or removal.

DISCUSSION

Additional Unit

London's potable water distribution system continues to grow as development continues and demand of current system components increases due to age and condition. The linear underground water assets require continuous maintenance and service to keep our water quality systems at the highest possible standard. Hydro excavation technology has become integral piece of the water operations industry and significantly enhances our service levels and ability to meet that demand.

Hydro-Excavation technology has been so successful that demand has exceeded our equipment complement capabilities and as a result an additional unit is required. The additional unit was supported by council during the capital budget approval process and is a funded capital project. As Water Operations continues to implement efficient mechanical excavation techniques an internal Tractor Loader Backhoe will be made redundant from their fleet compliment.

Replacement Unit

Included in the RFP for the additional Hydro Excavator unit was a request for proponents to submit pricing on an optional second unit which would replace our current hydro-ex that will reach the end of its optimum lifecycle later in 2018. Fleet Services wanted to have the option to procure both units if there was an economic and administrative advantage for the City to do so. Consolidating the additional unit purchase and the replacement project together provides an opportunity to have a "leaner" procurement process, promotes brand/product standardization and helps meet replacement timing.

Brand standardization provides value for the City particularly for operator and technician training and expertise, familiarity, parts inventory and overall efficiencies. The build time for Hydro Excavators is typically between 250-350 days so the earlier these procurements can be initiated will help meet our project timelines.

PURCHASING PROCESS

Procurement Process and Equipment Selection

Fleet and Operational Services in conjunction with Purchasing and Supply advertised for a Hydro-Excavator through a Request for Proposal (RFP) process. The RFP requested that Proponents submit a proposal with pricing for one (1) hydro-excavator and also a proposal option for a second unit. This method of procurement was selected to help ensure that staff could fairly evaluate the submissions in all of the key areas including any value added factors that were to be considered as part of the final selection.

The evaluation team received four compliant submissions and scored the proponents based on a predetermined list of criteria and also considered the value added elements that each proponent provided.

The successful proposal was from Federated Signal (Joe Johnson Equipment Inc.) for their Vactor HXX 2-stage Centrifugal Fan unit at a price of \$570,000.00 + HST per unit. The evaluation team found that the proposal from FST scored the highest in the competition and offered the most complete package in the following key areas;

1. Experience/Qualifications
2. Hydro Excavator Specification/Vacuum System/Features/Options
3. Delivery Times
4. Warranty, Service and Parts, Training and Support
5. Price

FINANCIAL IMPACT

Capital Budget

The Capital budget for the additional hydro excavator was approved during the Water Capital Budget process. The funding is identified in the Water Capital Project List and is described in the Source of Financing attached. (Appendix "A".)

The replacement unit will be funded from the Vehicle and Equipment Reserve Fund as per the normal replacement funding process. (Details also in Appendix "A" - Source of Financing)

Each unit has a capital cost of \$570,000.00 +HST which is within the approved capital budget.

Operating Budget

The operating costs for this equipment will be captured in the annual fleet rental rates.

The additional hydro excavation unit has approved funding in the Water Multi-Year Operating Budget that will cover the costs for maintenance, service, fuel and depreciation/replacement.

The replacement unit has an existing operating budget approved in the internal rental budget for the ongoing operating costs and future capital replacement.

CONCLUSION

Fleet and Operational Services in conjunction with Water Operations and Purchasing and Supply are recommending that RFP 18-14 be awarded to Federated Signal and Tool (FST) - Joe Johnson Equipment Inc. (JJEI) for two (2) Vactor HXX Hydro Excavators.

The Vactor HXX Hydro Excavator submission from FST provides the best overall value for the City by meeting or exceeding all the required terms, conditions and specifications and is within approved budget for these projects.

ACKNOWLEDGEMENTS

This report was prepared in conjunction with, Dave Fawcett, Specialist - Fleet Planning Specialist, Barrie Galloway, Manager Fleet Maintenance; Steve Mollon, Manager Fleet Planning and Sarah Denomy Procurement Officer - Purchasing and Supply

SUBMITTED BY:	REVIEWED & CONCURRED BY:
MIKE BUSHBY, BA DIVISION MANAGER, FLEET & OPERATIONAL SERVICES	SCOTT MATHERS, MPA, P. ENG. DIRECTOR WATER & WASTEWATER
REVIEWED & CONCURRED BY:	RECOMMENDED BY:
JAY STANFORD, MA, MPA DIRECTOR, ENVIRONMENT, FLEET & SOLID WASTE	KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER

Appendix "A" - Source of Financing

- c: John Freeman, Manager of Purchasing & Supply
John Simon, Division Manager - Water Operations