

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON AUGUST 13, 2018
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR – ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	IRREGULAR RESULT REQUEST FOR TENDER (RFT) 18-82 RIDE ON 72” OUT-FRONT DECK ROTARY MOWERS

RECOMMENDATION

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

- a) RFT 18-82 **BE ACCEPTED** to purchase eight (8) F3990 Out-Front Rotary Mowers with a 72” cutting deck for \$198,400 excluding HST from Hyde Park Equipment, 2034 Mallard Rd, London, Ontario, N6H 5L8;
- b) Funding for this purchase **BE APPROVED** 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:

Leading in Public Service

Excellent Service Delivery – At Your Service

BACKGROUND

PURPOSE

To provide necessary background information and seek Committee and Council approval to proceed with an irregular bid award for RFT18-82 – Supply and Delivery of Eight (8) Out-Front Rotary Mowers from Hyde Park Equipment (Figure 1).



Figure 1 – Kubota Out-Front Rotary Mower

CONTEXT

Out-Front Mowers are critical pieces of equipment for the Parks and Recreation service area. These mowers are used by park trim crew teams, golf courses and also roadside maintenance crews for turf maintenance.

DISCUSSION

Seven (7) of the existing 2011 Kubota F3680 Out-Front Rotary Mowers have reached the end of their optimum life and are up for replacement as per our asset management recommended life cycle. After seven cutting seasons these units, with their utilization, typically start to show signs of significant wear and tear which in turn can start to result in costly repairs and reliability issues. Replacement at, or close to, the specified optimum life cycle is also important to maximize the best residual value on trade.

In this RFT, an eighth unit was also requested which was an additional unit approved through assessment growth in the Parks and Recreation budget.

In terms of remarketing the retiring assets, the RFT requested that bidders provide optional trade in allowance for six (6) of the retiring mowers. The seventh retiring mower is being repurposed internally to the W12A Landfill for a low usage assignment of turf maintenance within the landfill property.

Purchasing Process

Fleet Services initiated the replacement project with Purchasing and Supply in June. The RFT was advertised on Bids & Tenders™. Four potential bidders picked up tender packages and two vendors submitted bids.

The tender called for eight (8) mowers with a request for optional trade-in allowances on six (6) retiring units.

Tender Results

Purchasing received two (2) bid submissions on this tender:

Dealer	Model	Price (excluding HST)
Hyde Park Equipment	Kubota F3990	\$198,400
Huron Tractor	John Deere JD1570	\$270,520

However, it was determined by Purchasing and Supply after opening that the bid from Huron Tractor was non-compliant due to improper bidding procedure with respect to bidding alternatives to the specification without following the amendment/question notification process. As noted above, it is the higher bid of the two submitted.

The disqualification of the second bid created an irregular bid situation. The Procurement of Goods and Services Policy (Section 19.4) specifies that RFT's that have irregular results require approval from Committee and Council.

Financial Impact

The units being recommended are within budget and are the low compliant bidder. Hyde Park Equipment has also offered optional trade-in allowance values on six (6) retiring units at approximately 25% of purchase value, exceeding our salvage target of 15%. Therefore Fleet Services, in consultation with the Manager of Purchasing and Supply, will be exercising the optional trade-in allowance as part of the tender.

The ongoing operating costs and capital replacement funds required during the lifecycle of these assets will be funded through internal rental rates as part of service area operating budgets.

CONCLUSION

Fleet Services in conjunction with Purchasing and Supply recommend that the bid from Hyde Park Equipment be accepted for RFT18-82 for the Supply and Delivery of Eight (8) Out-Front Rotary Mowers with 72" cutting decks for \$198,400 excluding HST from Hyde Park Equipment 2034 Mallard Rd, London Ontario N6H 5L8.

Hyde Park Equipment and Kubota out front mowers have been a successful and proven product for the City's application. This choice represents good value for the City of London and is an effective and financially responsible choice.

ACKNOWLEDGEMENTS

This report was prepared in conjunction with Steve Mollon, Manager, Fleet Planning; Dave Fawcett, Co-ordinator, Fleet Planning; and Ian Harris, Procurement Specialist.

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

Appendix "A" - Source of Financing

cc: John Freeman, Manager of Purchasing & Supply
Scott Stafford, Managing Director, Parks & Recreation