

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON SEPTEMBER 25, 2018
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR – ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	SINGLE SOURCE TRAILER-MOUNTED RECYCLED ASPHALT HEATERS

RECOMMENDATION

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

- a) Single Source recommendation **BE ACCEPTED** to negotiate pricing for four (4) Trailer-Mounted Recycled Asphalt Heaters from Heat Design Equipment Inc. 1197 Union Street, Kitchener Ontario, N2H 6N6;
- 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

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BACKGROUND

Purpose
To provide background information and seek Committee and Council approval to proceed with Single Source supply and delivery of Four (4) Trailer-Mounted Asphalt Heaters from Heat Design Inc. (Figure 1).



Figure 1

Context
Recycled asphalt heaters have become an integral piece of equipment for service delivery for the Roads and Transportation program, particularly for road patching. These propane heated asphalt trailers allow crews to create and use hot mix asphalt in the off season to provide enhanced quality pothole and road defect repairs.

The four new trailer mounted asphalt heaters are replacing five current earlier generation units (four truck mounted heater box units and one trailer unit) that have all reached the end of their optimum lifecycle and need replacement.

This single source approval and the alignment of the replacement cycles provides the City with an excellent opportunity to reduce the total number of equipment assets dedicated to this service and standardize the asphalt heaters to purpose built Heat Design Inc. trailer mounted units which have proven results, efficiencies and safety benefits.

DISCUSSION

The Transportation and Roadside Operations is responsible for inspecting, documenting and repairing a large range of defects on over 3600 lane km of road. The level of expected service is governed by the Minimum Maintenance Standards (MMS) guidelines and regulations developed by the province and adopted by Committee and Council.

Potholes and other pavement defects are one of the most common problems found during MMS inspections. Maintaining the specified repair/service standard is very important both for liability reasons and for customer service to Londoners. Late fall, winter and early spring seasons are particularly vulnerable for potholes with the freeze thaw cycles in the London area and to make matters worse this season corresponds with the closing of asphalt plants so hot mix asphalt is not available to make quality repairs.

The addition of propane fired asphalt heaters has enabled the service area to create their own hot mix in the winter season from recycled asphalt. The first units of this kind purchased by the City of London were truck mounted heater box units that were installed in the winter on specific Roads and Transportation crew trucks. Through experience, staff have learned that these type of units are not ideal as they require additional handling of the asphalt material and present ergonomic safety concerns to the staff as they work from the heater boxes in the back of the service truck down to the road surface when patching potholes (a length of approximately 2.5 metres). Also the truck mounted units limit the uses of the service trucks once installed.

The newer units purchased are trailer mounted and towed behind the service truck when in service. This configuration is lower to the ground so it is safer and more ergonomically friendly for workers. Also the trailers provide a more effective and efficient method of road patching as the ovens can be positioned very close to the pothole and repaired very quickly with minimum material handling. Trailer configurations have also demonstrated the added benefits of freeing up service trucks for other purposes when not patching and created flexibility to have several mobile patching crews deployed very quickly.

It has been determined by Transportation and Roadside Operations that they no longer wish to have any truck mounted units and want to standardize to only trailer type units in the fleet complement. There are currently three trailer mounts and four truck mounts in the fleet. This report specifically deals with replacing the four truck mount units with three (3) trailer mount units and the replacement of one current trailer mount unit that has reached the end of its optimum lifecycle.

Purchasing Process

Fleet Services in consultation with Purchasing and Supply reviewed options for procurement of the new units. Suppliers for mobile asphalt heaters is very limited and when it comes to small maneuverable asphalt recycling units mounted on purpose built trailers the unit from Heat Design Inc. is the only available.

Our previous purchases of these units (November 2016) also resulted in a single source procurement as there was no other vendor that could meet our needs, specifications and budget. The other units available were designed for larger paving operations and lacked maneuverability and functionality for small scale patching purposes required by the City.

Fleet Planning also verified with another municipality that recently issued a Request for Proposals (RFP) for an Asphalt Recycling Trailer and only the Heat Design Inc. unit was compliant and met specifications and requirements. The other bids were for much larger asphalt recycling units used for overlays and paving larger areas like driveways and road cuts.

As a result, Fleet Services and Purchasing and Supply believe the best option again is to single source directly with the specified vendor in this case.

Financial Impact

Capital funding for these replacements was identified in approved 2016-2019 multi-year fleet capital replacement budget. The estimated cost per unit pending negotiation and finalization of a firm price with the vendor is expected to be \$18,900.00 excluding HST per unit. The total value of this project for the four (4) units is \$75,600.00 excluding HST. Source of Financing Report is attached (Appendix “A”).

Operating costs and future capital replacement contributions going forward for these assets will be funded through internal rental rates within service area operating budgets.

CONCLUSION

Fleet Services in conjunction with Purchasing and Supply recommend that the Single Source provisions of the Procurement of Goods and Services Policy 14.4(d)(e) be utilized to procure four (4) Trailer-Mounted Recycled Asphalt Heaters directly from Heat Design Equipment Inc. 1197 Union Street, Kitchener Ontario, N2H 6N6.

These compact trailer mounted recycled asphalt heater units are available from only one supplier and the proven design provides specific value, efficiency and enhanced health and safety for the City of London.

ACKNOWLEDGEMENTS

This report was prepared in conjunction with Steve Mollon, Manager Fleet Planning; Dave Fawcett, Fleet Planning Specialist 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, Purchasing & Supply
John Parsons, Division Manager, Transportation and Roadside Operations