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TO:	CHAIR AND MEMBERS PUBLIC SAFETY COMMITTEE MEETING ON OCTOBER 23, 2012
FROM:	JOHN KOBARDA FIRE CHIEF, LONDON FIRE DEPARTMENT
SUBJECT:	SINGLE SOURCE SUPPLY & DELIVERY OF FIRE SERVICES TANKER

RECOMMENDATION

That on the recommendation of the Fire Chief, and the concurrence of the Managing Director, Neighbourhood, Children’s & Fire Services, that the following actions be taken:

1. The negotiated amount with Carl Thibault Fire Trucks Inc., 38 Thibault Street, Pierreville, PQ., for the supply and delivery of one (1) 2,500 Imperial Gallon Tanker at their proposed price of \$358,826.00, HST extra, **BE ACCEPTED** on a single source basis as per section 14.4 (d). of the Procurement of Goods and Services Policy;
2. That the funding for this purchase **BE APPROVED** as set out in the Source of Finance Report attached hereto as Appendix “A”;
3. Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this purchase; and
4. 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.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- April 12, 2011 Community and Neighbourhoods Committee; Request for Proposal 10-38 Supply & Delivery of Fire Services Tanker

BACKGROUND

Purchasing Process

During the 2012 Capital budget process, Council approved the purchase of a life cycle replacement Tanker. Following Tanker shuttle testing undertaken in 2009 and 2010, the Department decided that for operational reasons 2,500 imperial gallon Tankers would be more effective than the 1,500 imperial gallon Tankers employed within the current fleet.

During the 2010 Capital budget process the Department received approval to replace one of its tankers through the life cycle program. To that end, the London Fire Department (LFD) developed a comprehensive specification and in December of 2010 the City issued a Request for Proposal (RFP) for the purchase of one (1) 2,500 Imperial Gallon Tanker mounted on a commercial tandem rear drive axle chassis. Interested proponents submitted bids in January 28, 2011. The RFP required that all manufacturers submitting a bid be “Listed” by Underwriters Laboratories of Canada (ULC) as builders of the fire apparatus herein sought by the City. Furthermore, all proposed fire apparatus were required to meet the current editions of the ULC standard S-515 and National Fire Protection Association (NFPA) 1901.

At that time, the purchasing process employed by Purchasing and Supply included the invitation of eight (8) dealers known to supply Tankers to submit proposals, as well as an advertisement of the RFP through standard mediums, including posting the document on the City’s website. Through that process, the City received responses from five (5) proponents, noting that one (1) did not meet the City’s requirements of being “Listed” by ULC. On receiving the proposals, an evaluation team with representation from the London Fire Department (LFD) and Purchasing

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and Supply undertook a comparative analysis of all responses to establish each bidder's compliance with the specifications. Further to this analysis, the team individually scored the proposals based on pre-established criterion. Based on the analysis and the scored evaluation, the evaluation team's findings show that the response by Carl Thibault Fire Trucks Inc. scored the highest and, furthermore, met the Department's needs with respect to safety, functionality and performance. A contract was awarded and purchase order issued on May 3, 2011.

In May of this year, the Department took possession of the Carl Thibault Fire Trucks Inc. 2,500 imperial gallon Tanker replaced through the 2010 life cycle replacement program. As noted previously, the manufacture of front line vehicles can take up to a year once the contract is awarded. On-duty training to date demonstrates a significant improvement with respect to the amount of water transferred using a Tanker shuttle, the rates of filling the Tanker from hydrants, as well as a number of operational, functional and safety improvements.

In preparation for reviewing the purchasing process for the second life cycle replacement Tanker (2012), representatives of the LFD met with the Manager of Purchasing and Supply to review the approach concerning the capital project. During the discussion, the LFD representatives highlighted the operational efficiencies gained through a standardized fleet. Currently, when a vacancy arises because of vacation, illness or other reasons, a fire fighter trained in the operation of fire apparatus is reassigned to fill that vacancy. The challenge is that there may be occasions that fire fighter has not operated that piece of fire apparatus since his/her training session or they may have not operated the fire apparatus for some time. Standardization ensures operational competency of acting drivers, who may move from station to station on a daily basis to fill in for vacancies. Furthermore, standardization also assists financially through reduced replacement part inventories and, to a lesser degree, maintenance and repair. For these reasons, the LFD believes fleet standardization is very important. Accordingly, the group determined that single sourcing the Tanker would be a viable option in this instance, particularly since the City issued RFP 10-38 approximately 1½ years ago seeking the exact same vehicle.

Accordingly, Purchasing and Supply contacted Carl Thibault Fire Trucks Inc. to determine if they would supply a second Tanker at the same cost. In response to the request, Carl Thibault Fire Trucks Inc. has provided a price of \$358,826.00, which represents a 3.6% increase over the 2011 bid price. The price increase slightly exceeds the 3.12% increase in the consumer price index over the period noted; however, as reported in earlier reports concerning fire apparatus purchases it is also important to note that the U.S./Canadian dollar relationship does impact the cost, albeit lesser so today. Approximately 60% of the cost of the Tanker is associated with purchase goods from the United States. The slight weakening in the Canadian dollar since the last bid would account for approximately another 0.5% of the proposed price increase. As such, the proposed price is in line with economic changes.

Since 2004, the London Fire Department has worked closely with Purchasing and Supply for the replacement of fire apparatus, as defined in the Vehicle Replacement Policy and the Procurement of Goods and Services Policy. During this period, Purchasing and Supply has assisted in the purchase of 20 fire apparatus.

Reason for Purchase

The fire apparatus herein noted is a life cycle replacement scheduled to replace the LFD's reserve tanker currently identified as Tanker 25, which is the second of two (2) 1993 E-One 1,500 imperial gallon Tankers to scheduled for replacement.

General Discussion

Carl Thibault Fire Trucks Inc.'s history dates back over 100 years, noting that it was the first company in Canada to manufacture fire apparatus. Under its current management structure, the company has been in operation for 20 years and manufactures 35 to 40 units annually. Primarily, the company builds fire apparatus for fire departments in Quebec, eastern Ontario, and the east coast. More recently, the company built eighteen (18) apparatus units for the City of Ottawa, four (4) units for Peterborough, ten (10) units for the City of Halifax, three (3) units for the Town of Oakville and one (1) for the City of Brampton. In 2009, the City awarded Tender 09-65 for the purchase of one (1) Fire Engine Pumper apparatus, which was deployed to the new Station 14. In addition to the new Tanker delivered in May 2012, Thibault also recently delivered three (3) new Pumper Rescues.

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Financial Impact

Funding for this expenditure is provided in the 2012 Capital Budget (PP1152-12) as detailed in Appendix A (attached) Source of Financing.

On delivery of the new Tanker, the City will offer Tanker 25 for sale through an auction, noting that it did so with the previous reserve Tanker that was replaced in May of this year. Whereas on trade the apparatus might attract offers of between \$5,000 and \$15,000, in August of 2012 the City received \$22,500 for the reserve Tanker herein noted.

Acknowledgements

This report was written by J. Kobarda, Fire Chief, and J. Freeman, Manager, Purchasing and Supply and C. Ginty, Procurement Officer.

SUMMARY

Through the 2012 Capital Budget process, Council approved the purchase of a life cycle replacement Tanker. Based on the LFD's on-going goal to standardize its fleet, not only from a parts perspective but also from an operator familiarization view, representatives from the LFD and Purchasing and Supply determined that single sourcing the Tanker might be a viable option, particularly since the City issued RFP 10-38 approximately one (1) year ago seeking the exactly same vehicle. At that time, the City initiated a RFP process through its standard mediums, as well as invited eight (8) dealers known to provide Tankers to participate in the process. The City received five (5) bids, one (1) of which did not conform to the requirement to be "Listed" by the ULC. Following a comprehensive comparative analysis, as well as separate evaluative scoring based on predetermined criteria, the evaluation team identified the response by Carl Thibault Fire Trucks Inc. (Thibault) to have scored the highest and, furthermore, met the Department's needs with respect to safety, functionality and performance. Thibault has recently manufactured fire apparatus for Ottawa, Peterborough, Halifax, Oakville, Brampton, as well as one Engine for London.

The cost of the life cycle replacement Tanker can be accommodated within the current approved Capital Budget, as identified in the attached Source of Financing. For the reasons noted herein, it is recommended that the Carl Thibault Fire Trucks Inc. be accepted.

RECOMMENDED BY:	REVIEWED & CONCURRED BY:
JOHN KOBARDA FIRE CHIEF	LYNNE LIVINGSTONE MANAGING DIRECTOR, NEIGHBOURHOOD, CHILDREN'S, FIRE SERVICES
REVIEWED & CONCURRED BY:	
MIKE TURNER DEPUTY CITY TREASURER	