

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JUNE 18, 2019</b>
<b>FROM:</b>	<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR - ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>AWARD OF CONTRACT (RFP 19-26) – ONE (1) COMPRESSED NATURAL GAS (CNG) TOP-LOADING WASTE COLLECTION TRUCK</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Environmental and Engineering Services & City Engineer, the following actions **BE TAKEN**:

- a) The submission from Vision Truck Group 1220 Franklin Blvd. Cambridge Ontario N1R 8B7 for the supply and delivery of one (1) CNG Top Loading Waste Collection Truck for the purchase price of \$425,990 excluding HST, **BE ACCEPTED**;
- b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this purchase;
- c) 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; and
- d) That the funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix "A".

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Relevant reports that can be found at [www.london.ca](http://www.london.ca) under City Hall (Meetings) include:

- Assessment Growth Funding Allocation, March 4, 2019 meeting SPPC, Item #2.1
- Business Case – Switching to Compressed Natural Gas (CNG) Waste Collection Trucks, September 25, 2018 meeting of the CWC, Item #2.12

<b>COUNCIL'S 2019-2023 STRATEGIC PLAN</b>
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Municipal Council has recognized the importance of solid waste management and climate change in its 2019-2023 - Strategic Plan for the City of London as follows:

#### **Building a Sustainable City**

London has a strong and healthy environment (Conserve energy and increase actions to respond to climate change and severe weather through Corporate Energy Management Conservation Demand Management Plan featuring Green Fleet Initiatives and Community Energy Action Plan)

#### **Leading in Public Service**

Londoners experience exceptional and valued customer service (Londoners experience exceptional and valued customer service and the City of London is a leader in public service as an employer, a steward of public funds and an innovator of service)

## BACKGROUND

### Purpose

The purpose of this report is to provide background information on the Request for Proposals (RFP) process to purchase one compressed natural gas (CNG) top loading packer and seek Committee and Council approval for the recommended bidder (Figure 1). The top-loading packer was approved during Council deliberations on growth assessment.



Figure 1

### Context

#### The Solid Waste Collection Program

The Solid Waste Collection program involves a fleet of thirty seven collection trucks. Five of these units are top loading bulk lift trucks used to empty bulk lift containers that are placed at various commercial, institutional and high density residential collection locations across the City.

On March 4, 2019 a Top Loading Waste Collection Truck was approved from growth as the amount of bulk lift collections have exceeded the capacity of our existing fleet resources.

#### Addressing the Need for Action on Climate Change

On April 23, 2019, the following was approved by Municipal Council with respect to climate change:

*Therefore, a climate emergency be declared by the City of London for the purposes of naming, framing, and deepening our commitment to protecting our economy, our eco systems, and our community from climate change.*

Switching diesel garbage packers to CNG packers is an example of this declaration (e.g., “deepening our commitment) in action.

Each CNG packer reduces GHG emissions by about 5 tonnes per year. Once all 37 CNG waste collection trucks are in place, it is estimated that the switch from B5 biodiesel to CNG will reduce annual fleet GHG emissions by around 200 tonnes per year. This represents a 12% reduction in waste collection GHG emissions and a 3% reduction in overall fleet GHG emissions.

Using CNG as a fuel will also have significant air pollutant emission reductions, with an estimated 50% reduction in tailpipe fine particulate emissions, 90% reduction in nitrogen oxides, and the elimination of emissions of sulphur dioxide, diesel soot, and polycyclic aromatic hydrocarbons.

CNG waste collection vehicles will enhance quality of life in our communities by producing less noise than diesel trucks when operating through residential neighbourhoods during collection cycles. This is an important feature for waste collection service delivery especially during early morning waste pickup.

<b>DISCUSSION</b>
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**Purchasing Process**

On April 26, 2019 Fleet Services and Solid Waste initiated a Request for Proposal (RFP) with Purchasing and Supply for One (1) Compressed Natural Gas (CNG) powered Top Loading Waste Collection Truck.

On May 29, 2019, the Request for Proposal (RFP 19-26) closed and Purchasing & Supply received two submissions that were compliant for evaluation. The summary of the submissions are shown below:

Vendor	Model
Federated Signal (FST) Joe Johnson Equipment (JJE)	2020 Peterbilt 520 Chassis Compressed Natural Gas (CNG) / Labrie Whittke Front Loader
Vision Truck Group	2020 Mack LR Chassis Compressed Natural Gas (CNG) / Labrie Whittke Front Loader

The RFP evaluation process included representation from Purchasing and Supply, Fleet Maintenance, Solid Waste Collection, Fleet Planning and Fleet Asset Management. The panel rated the submissions based on specific pre-determined criteria made available to the vendors.

The evaluation categories included the following:

- 1. Company Certification, Experience and Past Performance
- 2. Specifications
  - Part a) Cab and Chassis
  - Part b) Top Loader Body and Equipment
- 3. Safety and Regulatory Compliance
- 4. Service Agreement Delivery, Training and Warranty
- 5. Options and Innovative Extras
- 6. Price

Each section was weighted based on their criticality, importance and value to the City of London.

**Results**

Upon completion of the evaluation process and scoring it was determined that the Vision Truck Group submission scored the highest and met all the mandatory specifications and conditions and therefore is being recommended.

The recommended submission scored well in all the areas of the selection criteria with strengths in the following areas:

- Cab and chassis design and body specifications.
- Cab configuration safety and visibility
- Overall warranty terms cab and chassis, transmission, CNG engine and forklift/ compaction body
- Good local and mobile service support including parts accessibility
- Operator and Mechanic familiarity
- Experience and references
- Lowest pricing

**Financial Impact**

One-time funding for an additional top loading waste collection truck was approved in 2019 Assessment Growth Business Case #3. The approved budget at that time was \$380,000 including HST.

The lowest and recommended submission from Vision Truck Group is \$425,990 excluding HST. The additional costs are attributed to the specialization of this equipment and the continued price pressure and cost increases due to demand, market challenges, US manufacturing, raw material costs, currency exchange rates, and trade/tariff impacts.

In addition the purchase price includes an additional CNG tank for added capacity and a fast fill CNG assembly to maximize efficiency and utilization of the assets.

The additional funding required for this truck is \$45,990 excluding HST and will be funded via transfer from ME201801. The CNG rear loading collection trucks RFP 19-22 was below budget by \$57,080 excluding HST (or \$58,085 including the non-refundable portion of HST) which can be used to supplement the shortfall of \$53,488, including HST, on this purchase.

Once this new vehicle is put into service the ongoing operating costs for fuel, maintenance, inspection/service, and capital replacement are funded through the internal rental rate process and charged to the program. The amounts are calculated based on historical cost experience averaged over three years of operation for similar units in the equipment class.

Fuel savings realized from the implementation of CNG collection vehicles will be used over the next 8 years (2020-2027) to repay the Efficiency, Effectiveness & Economy reserve. Per the September 25, 2018 Civic Works Committee report this reserve was the source of funding for changes at the City’s operations facilities that are required to support the maintenance of CNG vehicles.

Source of financing is attached as Appendix “A”.

<p><b>CONCLUSION</b></p>
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Based on the discussion and analysis above, Fleet Services in conjunction with Purchasing and Supply recommend that RFP19-26 - CNG Top Loading Waste Collection Truck be awarded to Vision Truck Group.

The Vision Truck Group submission scored the highest in the evaluation criteria and had the lowest bid price. The cab and chassis design and the compactor body are quality products that meet all our specifications and conditions.

**Acknowledgements**

This report was prepared with input from Barrie Galloway, Manager Fleet Maintenance, Steve Mollon, Manager of Fleet Planning, Kevin Springer Manager of Solid Waste Collection and Sarah Denomy Procurement Officer, Purchasing and Supply.

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

- C:     John Freeman, Manager of Purchasing & Supply  
         Steve Mollon, Manager of Fleet Planning  
         Barrie Galloway, Manager of Fleet Maintenance  
         Sarah Denomy, Procurement Officer