

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JULY 23, 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>SINGLE SOURCE PROCUREMENT – REPLACEMENT OF SAND/SALT SPREADERS</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) Civic Administration **BE AUTHORIZED** to enter into a single source agreement for the procurement of Sand/Salt Spreaders as per Section 14.4(d) of the Procurement of Goods and Services Policy;
- b) The submission from S&B Services Ltd., 36312 Talbot Line, Shedden, Ontario, **BE ACCEPTED**; for the supply and delivery of three (3) Slide In Sand/Salt Spreaders with at a total purchase price of is \$242,700 excluding HST (\$80,900 per unit excluding HST);
- c) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this purchase;
- 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; and
- e) That the funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix "A".

<b>COUNCIL'S 2019-2023 STRATEGIC PLAN</b>
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Municipal Council has recognized in its 2019-2023 - Strategic Plan for the City of London the importance of:

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

London has a strong and healthy environment:

- Protect and enhance waterways, wetlands, and natural areas

Londoners can move around the city safely and easily in a manner that meets their needs

- Improving safety for all modes of transportation

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

Londoners experience exceptional and valued customer service:

- Increase responsiveness to our customers
- Increase efficiency and effectiveness of service delivery
- Increase the use of technology to improve service delivery

## BACKGROUND

### **Purpose**

The Corporation has three (3) Sand/Salt Spreaders that have reached their optimum service life. The purpose of this report is to provide background and analysis to support the single source recommendation being put forward for replacement of these assets.

### **Context**

#### Roads and Transportation Program

The Road and Transportation program includes approximately forty (40) tandem dump trucks that are used year round in a variety of applications. In the summer months these units are utilized as dump trucks for various road maintenance and construction projects. In the winter months all the units are outfitted with snow plows and nine (9) of these units are additionally outfitted with sand/salt spreaders (Figure 1).



**Figure 1 – Example of the Giletta UH Sand/Salt rear discharge spreader with liquid anti-icing system**

These nine (9) units are assigned to the 'Sander Shift' and are dedicated to sand/salt and anti-icing activities 24 hours a day, seven days a week during the winter season (November to April).

In 2017, prior to issuing a tender for the replacement of six (6) Epoke Sand/Salt Spreaders, several trial units from different vendors were tested in operation. Fleet Services then issued Tender T17-42 for six (6) Sand/Salt Spreaders and the successful vendor was S&B Services Ltd for the Bucher Giletta UH 4000 Slide-In Rear Discharge Sand/Salt Spreaders with on board liquid anti icing and computerized application control systems. The S&B Services bid was the low compliant bidder, met all our terms, conditions and specifications and had performed well during the trials. Since being put into service these six (6) units have continued to perform well.

The remaining three (3) Epoke spreader units have reached the end of their optimum service life (10 years) and require replacement. The recommendation is that these three (3) units also be replaced with the Bucher Giletta Spreaders based on their price, performance and the efficiencies of brand standardization.

<b>DISCUSSION</b>
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### Purchasing Process

This report seeks approval to proceed with a single source non-competitive procurement under the Procurement of Goods and Services Policy section 14.4 d):

*“There is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract”;*

#### Vendor Quote - Three (3) Sand/Salt Spreaders with Anti-Icing Systems

Dealer	Model	Price for Three
S&B Services Ltd.	2019 Giletta UH 4000	\$242,700 (excluding HST

#### Justification for Single Source Recommendation

1. The City currently owns six (6) Giletta UH4000 model Sand/Salt Spreaders purchased in 2017. Since that time the units have performed well with positive operator and technician feedback.
2. The slide in and out system allows the assets to be separated for cleaning, maintenance and alternative utilization during the winter months.
3. The price offered by the vendor to replace the three remaining is under budget.
4. The City’s plow trucks are configured to accept the Giletta UH4000 model sand/salt spreader, which allows Fleet Maintenance and Transportation Operations the ability to keep as many Sand/Salt Spreaders in operation as possible.
5. The rear spreader configuration with computerized control system maximizes the effectiveness of sand/salt applications and minimizes the loss of product and impact to the environment.
6. Standardizing the sand/salt spreader fleet provides efficiencies in operations through familiarity, experience/knowledge, training, parts (inventory/supply), process standardization and performance.

#### **Financial Impact:**

The replacement of three (3) end of life sand/salt spreaders was identified and budgeted for in Capital Replacement Project ME201801. The total capital replacement budget for three new units was \$272,400 excluding HST.

The total purchase price for these replacement assets is \$242,700 excluding HST. Therefore the total project is \$29,700 (approximately 11%) under budget.

Ongoing operating costs for 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 maintenance and repair cost experience averaged over three years of operation for similar units in the equipment class.

Source of financing is attached as Appendix “A”.

<b>CONCLUSION</b>
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Based on the discussion and analysis above, Fleet Services in conjunction with Purchasing and Supply recommend a single source procurement of rear discharge sand/salt spreaders to S&B Services Ltd., 36312 Talbot Line, Shedden, Ontario.

The Giletta Sand/Salt Spreaders have performed well in both pre-tender trials and since being put in service since 2017. The product provides enhance spreader, pre-wetting and application rate technology that increases effectiveness of the salt and reduces unnecessary impacts to the environment.

The pricing offered from the Vendor remains competitive and if approved will be \$29,700 under forecasted budget for the three replacements.

In addition, Operations Staff and Fleet Services have gained familiarity and experience with the Giletta Sand/Salt Spreader and that will provide value and efficiencies with respect to training, parts inventory/supply and process standardization and performance.

### Acknowledgements

This report was prepared with input from Steve Mollon, Manager of Fleet Planning.

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

### Appendix A Source of Financing

C: John Freeman, Manager of Purchasing & Supply  
Steve Mollon, Manager of Fleet Planning