

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JANUARY 7, 2020</b>
<b>FROM:</b>	<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>REQUEST FOR PROPOSAL (RFP) 19-55 AWARD - REPLACEMENT OF WATERWORKS CLAM TRUCKS WITH DUMP BODIES</b>

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

- a) The submission from FRF Hydraulic Incorporated, 431 Henry Street, Brantford Ontario, N3S 7V6, **BE ACCEPTED**; for the supply and delivery of two (2) Waterworks Clam Trucks with Dump Bodies at a total purchase price of \$427,690.00 (\$213,845.00 per unit) excluding HST;
- 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>COUNCIL'S 2019-2023 STRATEGIC PLAN</b>
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### **Leading in Public Service**

The City of London is a leader in public service as an employer, a steward of public funds and an innovator of service, resulting in Londoners experiencing exceptional and valued benefits.

### **Building a Sustainable City of London**

London's infrastructure is built maintained and operated to meet long-term needs of our community.

<b>BACKGROUND</b>
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### **PURPOSE**

The purpose of this report is to provide the necessary background information and seek approval to award RFP 19-55 for two (2) Waterworks Clam Trucks (Figure 1) to FRF Hydraulic Incorporated, the bidder that scored the highest in the RFP evaluation process based on the City of London's selection criteria.



**Figure 1 – 2006 Clam Dump Truck**

## CONTEXT

On an annual basis, Fleet Services reviews and replaces vehicles and equipment that have reached the end of their optimum life cycle. This RFP was initiated to replace two (2) waterworks single axle trucks with dump bodies, cranes and clam buckets.

Crane trucks with clam buckets and dump boxes are utilized by the Water Operations Division in a wide variety of material handling tasks year round. The units are critical for service delivery as they haul waste material away from multiple project sites and place new aggregate and materials in specified quantities at specified locations. The crane is also used for various rigging applications and to move and manipulate water system chattels so they can be placed safely and accurately.

As part of the replacement process, Water Operations staff were required to identify and discuss the pros and cons of the current units and also to review new safety and regulatory standards. During this review several new requirements and upgrades were identified in order to meet regulatory compliance and new safety standards including:

1. Heavier cab and chassis with a higher Gross Vehicle Weight (GVW) and carrying capacity to meet Ministry of Transportation (MTO) requirements.
2. Remote control for crane operation to ensure worker safety and enhance site-line visibility.
3. Crane safety systems to ensure the crane is safely secured prior to road travel.
4. Enhanced out rigging equipment to ensure truck stability and reduced manual outrigger positioning.
5. Enhanced truck and cab features, including hydraulic tool cabinets and smart idling systems to enhance productivity, efficiency and safety.

The costs required to upgrade these units for larger cabs and chassis were estimated at \$30,000. In addition the cost for a larger crane, mobile controls and upgraded out rigging gear and safety requirements was estimated at \$25,000. Units that will be replaced are two (2) 2006 Freightliner M2 clam dump trucks. These retiring assets had a 10-year life cycle but were extended to help offset additional funding required for the new class of trucks and upgrading required.

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

Due to the complexity and various configurations/designs available in this class of equipment, it was decided to purchase these units through an RFP process to encourage bidders to be creative and ensure the best overall value for the service area and the City.

Fleet Planning, through Purchasing and Supply, initiated the proposal process for two (2) clam dump trucks on October 4, 2019. The RFP closed on November 5, 2019, and resulted in three compliant bids to evaluate. The evaluation team was chaired by a Purchasing and Supply official and made up of representatives from Water Operations, Fleet Maintenance and Fleet Planning. The evaluation criteria, weighting and the scoring is shown in the table below:

Evaluation Category	Sub weighting	Weighting
Company Certification, Experience and Past Performance		10
Specifications - Cab and Chassis	25	40
Specifications - Dump Body, Crane and Bucket	15	
Safety and Regulatory Compliance		10
Service Agreement, Delivery, Training and Warranty		10
Options and Innovation		10
<b>SUBTOTAL</b>		<b>80</b>
Pricing		20
<b>Total</b>		<b>100</b>

### Results

The selection team reviewed the three compliant bid submissions and scored them based on the value criteria set out in the RFP. The results were tabulated from each member on the five evaluation areas and consensus was reached on ratings for experience/performance, specifications, safety, service/warranty and options/innovation.

Following completion of the ratings for each evaluation category, the bid prices were examined and added to the overall score. FRF Hydraulics Incorporated scored the highest overall evaluation and is recommended by the selection team.

Bidders were asked to provide details on trade-in options of the retiring units; however, none of the bidders submitted trade-in options so the retiring units will be sold at public auction.

### Financial Impact

Funding to replace two waterworks clam crane trucks was originally budgeted and approved in the 2016-2019 Multi-Year Budget for \$150,000 per unit (excluding HST) for a total cost of \$300,000 via capital project ME201801.

The required upgrades to these units for larger cabs and chassis (\$30,000) and a larger crane, mobile controls and upgraded out rigging gear and safety requirements (\$25,000) increased the estimated replacement cost to \$205,000 per unit (excluding HST). As noted previously, the additional funds for upgrades were secured because the lifecycle of existing trucks was extended after truck assessment was completed.

The recommended bid from FRF Hydraulics Inc. is \$213,845 per unit (excluding HST). This higher than anticipated cost, at 4% above the estimate, can be attributed to increases in the heavy truck market and the rising costs of materials and supplies.

The additional funding is available in ME201801 per the Source of Financing attached as Appendix "A". The ongoing operating cost for internal rental rates will be adjusted based on the new asset requirements and lifecycle and will be budgeted in the program area.

<b>CONCLUSION</b>
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Based on the discussion and analysis above, Fleet Services, in conjunction with Purchasing and Supply, recommend that RFP 19-55 – Supply and Delivery of Waterworks Clam Trucks with Dump Bodies be awarded to FRF Hydraulics Incorporated, 431 Henry Street, Brantford Ontario N3S 7V6.

The FRF Hydraulics Incorporated submission scored the highest in the RFP evaluation based on the specified value criteria categories, and staff from both the service areas have confidence in the selection and believe the recommended vendor and product provide the best overall value for the City of London.

<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  
Barrie Galloway, Manager of Fleet Maintenance  
Sarah Denomy, Procurement Officer

**APPENDIX 'A'**

**#20002**  
January 7, 2020  
(Award Contract)

Chair and Members  
Civic Works Committee

**RE: RFP 19-55 Replacement of Waterworks Clam Trucks with Dump Bodies**  
**(Work Order 2483479 & 2483480)**  
**Capital Project ME201801 - Vehicle and Equipment Repl- TCA**  
**FRF Hydraulic Inc. - \$427,690.00**

**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:**

Finance & Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the approval of the recommendations of the Managing Director, Environmental & Engineering Services & City Engineer, the detailed source of financing for this project is:

<b><u>ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>Committed to Date</u></b>	<b><u>This Submission</u></b>	<b><u>Balance for Future Work</u></b>
Vehicles & Equipment	\$6,469,253	\$3,992,430	\$435,218	\$2,041,605
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$6,469,253</u></b>	<b><u>\$3,992,430</u></b>	<b><u>\$435,218</u></b> 1)	<b><u>\$2,041,605</u></b>

**SUMMARY OF FINANCING:**

Capital Levy	\$250,000	\$250,000		\$0
Drawdown from Vehicle & Equipment Repl R.F.	6,165,891	3,689,068	435,218	2,041,605
Drawdown from Self Insurance Reserve Fund	42,500	42,500		0
Funded from Operations	10,862	10,862		0
<b>TOTAL FINANCING</b>	<b><u>\$6,469,253</u></b>	<b><u>\$3,992,430</u></b>	<b><u>\$435,218</u></b>	<b><u>\$2,041,605</u></b>

1) **FINANCIAL NOTE:**

Contract Price	\$427,690
Add: HST @13%	55,600
Total Contract Price Including Taxes	483,290
Less: HST Rebate	48,072
Net Contract Price	<u>\$435,218</u>

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Jason Davies  
Manager of Financial Planning & Policy