

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JUNE, 23 2020
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR - ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	SINGLE SOURCE PROCUREMENT – ADDITIONAL SIDEWALK SWEEPER

RECOMMENDATION

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 an additional articulating sidewalk sweeper as per Section 14.4(d)(e) of the Procurement of Goods and Services Policy;
- b) The submission from Cubex Ltd., 189 Garden Ave., Brantford, Ontario, N3S 0A7, **BE ACCEPTED**; for the supply and delivery of one (1) 2019 Mathieu MC110 Sidewalk Sweeper at a total purchase price of \$121,100 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".

COUNCIL'S 2019-2023 STRATEGIC PLAN

Municipal Council has recognized in its 2019-2023 - Strategic Plan for the City of London the importance of:

Building a Sustainable City

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

- Improving safety for all modes of transportation

London growth and development is well planned and sustainable over the long term.

- Revitalize London's downtown and urban areas
- Improve the quality of pedestrian environments to support healthy and active lifestyles

Leading in Public Service

Londoners experience exceptional and valued customer service:

- Increase responsiveness to our customers
- Increase efficiency and effectiveness of service delivery

BACKGROUND

Purpose

Roads and Transportation has a requirement for an additional sidewalk sweeper to help support the Core Area Action Plan (CAAP), specifically; “**Establish, implement and regularly monitor a higher clean standard for the Core Area**”. The purpose of this report is to provide the context, background, analysis and financial impact of the purchase and details of single source procurement recommendation.

The purpose of this report is to seek approval from the Civic Works Committee and Council under section 14.1 b) of the Procurement of Goods and Services Policy to waive the competitive bidding process and purchase a Mathieu MC 110 Articulating Sidewalk Sweeper through a single source award (Figure 1).



Figure 1 – Mathieu MC 110 Articulating Sidewalk Sweeper

Context

The Corporation currently operates two (2) sidewalk sweepers for cleaning and maintaining downtown sidewalks, boulevards, bus stops, protected bikes lanes, and street corners in the designated core area action plan boundary. The current service operates seven day per week and is double shifted 5 days per week. The higher cleaning standard initiative includes longer service hours on weekends. The additional unit will cover an expanded area and increase the frequency of sweeping while keeping up with demand. This unit will also be used to support the cleanup before and after events that take place in the core area.

Over the last several years there have been significant enhancements in the dedicated services required and provided in the core area, in line with Council’s strategic priorities and the CAAP. As part of that strategy cleanliness of the core pedestrian areas was deemed integral to the downtown experience for Londoners and the success of downtown businesses.

Since 2015 Roads and Transportation has enhanced both the number of pieces of equipment and staff dedicated to sidewalk sweeping services. Significant improvements to the cleanliness of the downtown have been noted, however with the addition of Dundas Place Flex Street, enhanced active spaces, increased range and intensity of programming, and the various efforts of Coordinated Informed Response (CIR) Teams, the service demands continue to grow.

As part of the 2020 – 2023 multi-year budget process Roads and Transportation requested additional funding for a third sidewalk sweeper and the budget submission was approved.

DISCUSSION

Purchasing Process

This report seeks approval to single source the purchase of an additional sidewalk sweeper directly to Cubex Ltd. The justification for this process is provided below.

1. 2019 Mathieu MC 110 Articulating sidewalk sweeper has been rented from Cubex Ltd. for last two (2) months therefore is readily available, training has been completed, the unit is detailed and branded for immediate deployment. It has performed exceptionally well and has had no breakdowns during the rental period;
2. Cubex Ltd. has offered the City an opportunity to apply 80% of the rental fees paid thus far towards the purchase of the Mathieu MC 110 Sweeper;
3. The price offered by the vendor is within budget;
4. There are only a few manufacturers that offer this specialized type of equipment and the City has had significant negative experience with three different lower cost brands over the past four years and those units have been fraught with difficulties and been very unreliable in this sweeping application:
 - In 2015, a low bid sidewalk sweeper was purchased and was extremely unreliable and was eventually returned to the manufacturer within three months.
 - The City then purchased two sidewalk sweepers from the next lowest compliant bidder in 2016 and 2017. Both these units also became very unreliable and the City was frustrated to the point that they were sold back to the vendor for improved models.
 - In early 2019, Fleet negotiated for two newly designed models. Those units after only one season of service have had significant warranty repairs and are showing signs of very similar poor performance in this application.
5. Based on our experiences, discussions with other municipalities, and market research, Fleet Services believes the Mathieu brand is one of the most reliable sidewalk sweepers currently available in the market and represents the best value for the City of London and their usage demands;
6. As per the City's procurement policy, the required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience.

Financial Impact

The purchase of an additional downtown sidewalk sweeper was identified and budgeted for in the 2020-2023 multi-year budget submission and approved as part of the Capital Budget for Roads and Transportation to meet the service level objectives of the CAAP.

The total purchase price for the 2019 Mathieu MC 110 Articulating Sidewalk Sweeper is \$121,100 (plus HST) as shown on Table 1.

Table 1: One (1) Mathieu MC 110 Articulating Sidewalk Sweeper

Dealer and Model	Action	Price (+ HST)
Cubex Ltd 2019 Mathieu MC 110	Original purchase price	\$139,500
	Rental applied to purchase price	\$18,400
	Total	\$121,100

Ongoing operating costs for fleet maintenance, inspection/service, and capital replacement have been budgeted in the applicable Roads and Transportation program.

Source of financing is attached as Appendix "A".

CONCLUSION

An additional sidewalk sweeper is required for Roads and Transportation to help meet the demands of the CAAP. This additional piece of equipment is in the approved 2020 capital budget and has the necessary operating budget in the program to support the ongoing operating costs and future replacement.

As described above, Fleet Services having consulted with the Service Area and Purchasing and Supply are recommending that the additional sidewalk sweeper be purchased using the single source provisions of the Procurement of Goods and Services Policy.

There are valid and sufficient reasons for the single source recommendation which include, selecting a vendor and equipment product that are known to be reliable and can support our service level demands, maximizes the benefits of rent to own terms, quick deployment for the 2020 season and fewer transitional issues and costs.

SUBMITTED BY:	REVIEWED & CONCURRED BY
MIKE BUSHBY, BA DIVISION MANAGER, FLEET & OPERATIONAL SERVICES	JAY STANFORD, MA, MPA DIRECTOR, ENVIRONMENT, FLEET & SOLID WASTE
REVIEWED & CONCURRED BY	RECOMMENDED BY:
DOUG MACRAE, P. ENG., MPA DIRECTOR, ROADS AND TRANSPORTATION	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
John Parsons Division Manager, Roads and Transportation
Steve Mollon, Manager of Fleet Planning

APPENDIX 'A'

#20089
June 23, 2020
(Award Contract)

Chair and Members
Civic Works Committee

**RE: Single Source Procurement - Additional Sidewalk Sweeper
(Work Order 2489920)
Capital Project TS3228 - Downtown Streetscape Program
Cubex Ltd. - \$121,100.00 (excluding H.S.T.)**

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 adoption of the recommendations of the Managing Director of Environmental and Engineering Services and City Engineer, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Committed to Date</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
<u>TS3228 - Downtown Streetscape Program</u>				
Vehicle & Equipment	\$680,000	\$398,489	\$123,231	\$158,280
NET ESTIMATED EXPENDITURES	<u>\$680,000</u>	<u>\$398,489</u>	<u>\$123,231</u> 1)	<u>\$158,280</u>
<u>SOURCES OF FINANCING</u>				
<u>TS3228 - Downtown Streetscape Program</u>				
Capital Levy	\$540,000	\$398,489	\$123,231	\$18,280
Drawdown from Efficiency, Effectiveness and Economy Reserve	140,000			\$140,000
TOTAL FINANCING	<u>\$680,000</u>	<u>\$398,489</u>	<u>\$123,231</u>	<u>\$158,280</u>

1) **FINANCIAL NOTE:**

Contract Price	\$121,100
Add: HST @13%	15,743
Total Contract Price Including Taxes	<u>136,843</u>
Less: HST Rebate	13,612
Net Contract Price	<u>\$123,231</u>

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Jason Davies
Manager of Financial Planning & Policy