

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee
From: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports
Subject: Single Source Additional Ravo Street Sweeper
Date: June 22, 2021

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports

- a) Single Source negotiated price **BE ACCEPTED** to purchase one (1) 2018 Ravo 5 iSeries Vacuum Street Sweeper for a total estimated price of \$239,333 + HST from Cubex Ltd., 189 Garden Avenue, Brantford, Ontario N3S 0A7;
- b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these purchases;
- 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 in accordance with Sections 14.4(d) and 14.5(a)(ii) of the Procurement of Goods and Services Policy; and
- d) That the funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached, hereto, as Appendix A.

Executive Summary

The Transportation & Mobility Division has identified a need for an additional street sweeper to be added to their fleet to enhance spring clean up services and meet increased road sweeping service level requirements for specialized areas like bike lanes, Dundas Place and other downtown core areas.

The service area currently operates an internal fleet of five Ravo street sweepers and has needed to rent a sixth Ravo sweeper unit this spring to maintain service levels. This report recommends that the rental unit be purchased utilizing the rent to own option being offered, where 75% of the rental costs the City has paid to this point on the rental can be applied towards the purchase price and adding in the remaining capital funds to purchase the unit outright.

The availability of this demonstration unit for purchase from our street sweeper vendor presents an excellent opportunity for the City to utilize and recover some of our rental costs to this point and also secure this needed equipment in a timely and efficient way.

The single source process is recommended since standardization with our existing fleet of Ravo street sweepers provide operational efficiencies as it greatly reduces the time required to provide additional training for operators and technicians on the operation and maintenance of the unit.

The recommendation will provide good value, efficiencies and enhanced services to the citizens and businesses of London with a cost effective and timely method of addressing the operational requirements of the service area.

Linkage to the Corporate Strategic Plan

Building a Sustainable City

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

- Manage assets to prevent future infrastructure gaps

Leading in Public Service

Londoners experience exceptional and valued customer service

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

Analysis

1.0 Background Information

Street sweeping and downtown sidewalk sweeping falls within the Transportation and Roadside Operations maintenance program. The street sweeping service is a critical piece of road infrastructure maintenance management and a service that is appreciated and visible to many Londoners. Currently the City owns and operates five (5) Ravo vacuum street sweepers as part of their internal fleet. The program functions primarily during the spring, summer and fall and is double shifted daily for the length of the seasonal (7-8 months) program. In addition to the aesthetic benefits of the road sweeping program by removing road debris and sand/salt, it also contributes significantly to reducing storm water contamination and infrastructure maintenance. The technologically advanced vacuum collection systems on these sweepers also plays an important role in improving urban air quality.

The existing City owned street sweeping assets were purchased in 2016 and 2017 through the life cycle maintenance program. The purchase of the replacement street sweepers was awarded to Cubex Inc. for their Ravo 5 iSeries Vacuum Street Sweeper using a Single Source purchasing process as they provided the best solution for the City's operational needs including performance, maintenance, comfort and flexibility. Based on specific field testing and examination, the Ravo street sweeper is an effective and financially responsible choice. From a versatility perspective, the Ravo street sweeper includes a third broom that can reach uncollectable areas such as islands and curbside sidewalks. Since being purchased the new equipment has performed as expected.

In May of this year, Transportation & Mobility established a need for an additional street sweeper to be added to their fleet to enhance spring clean up services and provide increased sweeping service level requirements for specialized areas like bike lanes, Dundas Place and other areas in the core. A 2018 Ravo street sweeper unit from Cubex Ltd. was available for a short term rental period and was secured for the two month period using a single source procurement method in accordance with The Procurement of Goods and Service Policy sections 14.4(d) and 14.5(a)(i) and the administrative approval from the Managing Director and Manager of Purchasing to enter into a Rental Agreement with Cubex Ltd for the two (2) month rental of a 2018 Ravo Street Sweeper at a cost of \$18,500 per month noting that a rent to own option was being offered as well, where 75% of the rental costs could be put towards the purchase of the unit.

Purchasing a similar model Ravo street sweeper greatly reduces the time required to provide additional training for operators and technicians on the operation and regular maintenance of the unit as both groups are familiar and have experience with this Ravo model. Standardizing the sweeper unit with the same model of street sweeper the City currently operates also eliminates the need to stock additional parts in the stores inventory.

The Transportation & Mobility Division with support from Fleet and Operational Services, has identified that the recommended solution provides a responsible and cost

effective solution to address the need for additional internal street sweeping assets on a permanent basis.

2.0 Discussion and Considerations

2.1 Purchasing Process

A quote was received from Cubex Ltd. for the purchase of the 2018 Ravo 5i Street Sweeper rental unit. The estimated purchase price of the unit is \$239,333 plus HST. The rent to own option will be utilized and 75% of the rental costs (\$27,750) will be put towards the purchase price of the unit.

3.0 Financial Impact

3.1 Project Budget

Transportation & Mobility will provide the capital budget and funding source for this purchase. The ongoing operating costs for fuel, maintenance, inspection, service, overhead and future capital replacement will be funded through the Fleet internal rental rate process and charged back to the respective service area. There will be operational, maintenance and future capital funding impacts associated with this purchase of an additional sweeper unit going forward.

3.2 Project Funding

Funding for this purchase will be provided through the appropriate capital and operating accounts to be provided by Transportation & Mobility. The estimated total cost after rent to own option is applied towards the purchase is \$211,583 plus HST. Final price will be negotiated with Cubex Ltd. Funding details for this procurement are outlined in the Source of Financing attached as Appendix A.

Conclusion

Fleet and Operational Services in conjunction with Roads and Transportation Division and Purchasing and Supply recommend approval for the single source purchase of one (1) 2018 Ravo 5 iSeries Vacuum Street Sweeper for a total estimated price of \$239,333 + HST from Cubex Ltd.

The recommendation provides the best overall value to the City of London having met the operational requirements and supporting a safe and healthy workplace.

Prepared by: Mike Bushby, B.A.
Division Manager, Fleet and Facilities Division
Finance Supports

Concurred by: Doug MacRae, P. Eng, MPA
Director, Transportation and Mobility,
Environment & Infrastructure

Recommended by: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Attached: Appendix A – Source of Finance

Appendix "A"

#21109

June 22, 2021

(Award Contract)

Chair and Members

Civic Works Committee

RE: Single Source Additional Ravo Street Sweeper

(Work Order 2520052)

New Capital Project TS1050 - Additional Street Sweeper

Cubex Ltd. - \$239,333.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this purchase cannot be accommodated within the financing available for it in the Capital Budget, but can be accommodated with a transfer of capital levy, and that, subject to the approval of the Deputy City Manager, Finance Supports, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Additional Requirement	Revised Budget
TS1050 - Additional Ravo Street Sweeper			
Vehicles and Equipment	0	215,307	215,307
Total Expenditures	\$0	\$215,307	\$215,307

Sources of Financing

TS1050 - Additional Ravo Street Sweeper

Capital Levy - transfer from TS331021 - Road Surface Treatment (Note 1)	0	215,307	215,307
Total Financing	\$0	\$215,307	\$215,307

Financial Note:

Contract Price	\$239,333
Less Rent to Own Portion	-27,750
Net Contract Price	\$211,583
Add: HST @13%	27,506
Total Contract Price Including Taxes	239,089
Less: HST Rebate	-23,782
Net Contract Price	\$215,307

Note 1: The additional funding is available as a transfer of capital levy from TS331021 - Road Surface Treatment.

Kyle Murray

Director, Financial Planning and Business Support

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