

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee

**From:** Anna Lisa Barbon, CPA, CGA  
Deputy City Manager, Finance Supports

**Subject:** RFP 21-33 Supply and Delivery of CNG Front Loading Waste Disposal Trucks

**Date:** June 22, 2021

## Recommendation

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

- a) The submission from Vision Truck Group, for the supply and delivery of two (2) Compressed Natural Gas (CNG) Front Loading Waste Disposal Trucks at a total purchase price of \$811,970, excluding HST, **BE ACCEPTED**; in accordance with Section 12.2 b) of the Procurement of Goods and Services Policy which states: Awards under the RFP process require the following approval: Committee and City Council must approve an RFP award for purchases greater than \$100,000;
- 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 Section 12.2 b) 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

Fleet and Operational Services is responsible for reviewing and replacing vehicles and equipment that have reached the end of their optimum lifecycle. Front Loading Waste Disposal Trucks are a key piece of equipment utilized by Waste Management in delivery of waste collection services to Londoners. The fleet of seven Front Loading Waste Disposal Trucks are highly utilized units operated by a single person and responsible for bulk container collection routes which include multi-residential properties, apartments, public facilities and institutional site collection locations on a daily basis.

These trucks will be powered by Compressed Natural Gas (CNG) instead of the traditional diesel-powered trucks in line with Fleet and Waste Management's fuel switching business case. Fuel switching to CNG reduces emissions, reduces noise and supports a move toward more sustainable and renewable energy sources to reduce the impact of emissions and carbon on the environment and support the City's Corporate Energy Management Conservation Demand Management Plan (Green Fleet) and the development of the Climate Emergency Action Plan.

A Request for Proposals (RFP) was initiated in consultation with staff in Waste Management with a primary objective of replacing two existing diesel-powered Front Loading Waste Disposal Trucks that have reached the end of their optimal life.

Based on the analysis and evaluation of the submissions received, Fleet Services in conjunction with Waste Management and Purchasing and Supply recommend that RFP 21-33 be awarded to Vision Truck Group for the supply and delivery of two (2) Compressed Natural Gas (CNG) Front Loading Waste Disposal Trucks.

The recommendation provides the best overall value to the City of London having met the operational requirements of the service area, scoring the highest on the evaluation and supporting a safe and healthy workplace.

## **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**

Fleet and Operational Services is responsible for reviewing and replacing vehicles and equipment that have reached the end of their optimum lifecycle. An RFP was initiated in consultation with staff in Waste Management with an objective of replacing two (2) existing Front Loading Waste Disposal Trucks that have reached the end of their optimal life as determined by Fleet Planning in conjunction with Fleet Maintenance and Waste Management.

The front loading waste collection trucks are highly utilized units operated by a single person and responsible for bulk container collection routes which include multi-residential properties, apartments, public facilities and institutional site collection locations.

These trucks will be powered by Compressed Natural Gas (CNG) instead of the traditional diesel powered trucks in line with Fleet and Solid Waste's fuel switching project. Fuel switching to CNG reduces emissions, reduces noise and supports a move toward more sustainable and renewable energy sources and reduces the impact from emissions and carbon on the environment in support of the City's Corporate Energy Management Conservation Demand Management Plan (Green Fleet) and the development of the Climate Emergency Action Plan.

The two front loading waste collection trucks that will be retiring are both 2011 units and have 209,132 and 232,758km respectively as of the writing of this report but will be close to 300,000km at time of the decommissioning date as they will continue in service for another year as the replacement trucks are being built. These units will have reached their optimum lifecycle at that point. The optimum life cycle is determined considering both the performance, reliability, and maintenance/repair cost aspects of aging equipment as well as the best time to remarket these assets for maximum resale values.

As part of the replacement process Corporate Health and Safety Specialists and the Waste Collection Manager/Supervisors were involved in the review of the final specifications for the RFP document. Worker safety and ergonomic design and culture of safety were key considerations in the development of the specification and evaluation process.

The Mack LR64R cab and chassis configuration was recommended as a preferred option because of its low body height and its increased visibility for the driver. It provides for easier access and egress from the cab and with its lower viewing position and rear wrap around windows, improves visibility for the driver to see safety hazards below and when in reverse or when checking the sides of the vehicle. These features enhance health and safety by reducing risk of strains, slips and injuries while entering and exiting the cab and improves visibility for safe operation and accident avoidance.

This model of chassis with these additional safety and design features, marginally impacted the original estimated replacement cost.

## **2.0 Discussion and Considerations**

### **2.1 Purchasing Process**

To allow interested bidders to showcase their products for these specialized pieces of equipment an RFP process was chosen as the procurement method.

Through Purchasing and Supply, Fleet and Operational Services initiated the proposal process on April 7, 2021, for supply and delivery of two (2) Compressed Natural Gas (CNG) Front Loading Waste Disposal Trucks. The RFP closed on May 6, 2021 and nine (9) bids were received and evaluated.

### **2.2 Evaluation and Results**

The evaluation team was chaired by a Procurement Officer and consisted of staff representing Fleet and Waste Collection. The following evaluation criteria was used to evaluate the submissions:

- Company Certification, Experience and Past Performance
- Specifications - Mandatory Requirements for both chassis and body
- Efficiency, Safety and Regulatory Compliance
- Service Support, Delivery, Training, and Warranty
- Options and Innovation
- Price

After evaluation of the criteria and scoring of the nine submissions, Vision Truck Group achieved the highest score.

### **2.3 Disposal of Decommissioned Units**

The existing units will be decommissioned and disposed of after the new units arrive. Trade in values were requested and offered by the vendor. They are not included in the RFP evaluation criteria or scoring process. The \$22,000 offer per unit from the vendor will be accepted.

Fleet Services targeted recovery amount on salvage value is 15% of the original purchase price and this trade in value represents just over 10%. The other option the City has for disposal of retired units is resale through an auction. Given the condition of these assets the 10% recovery on salvage was discussed in consultation with Purchasing and has been deemed acceptable.

## **3.0 Financial Impact**

### **3.1 Project Budget**

The Fleet and Operational Services approved capital replacement budget for this project was set at \$850,000. The recommended bid from Vision Truck Group is \$805,480 (excluding HST).

Option items and pricing were requested in this RFP and were offered by the vendor. The option for an increased CNG fuel tank capacity from 60 diesel gallon equivalent (DGE) up to 75 DGE was priced at \$3,245 excluding HST per truck.

This optional upgrade will be added to each unit bringing the total purchase price to \$811,970 excluding HST for both trucks.

### **3.2 Project Funding**

Funding details for this procurement are outlined in the Source of Financing attached as Appendix A.

Ongoing operating costs for fuel, maintenance, inspection, service, overhead and future capital replacement is funded through the Fleet internal rental rate process and charged back to the respective service areas. There are only minor expected operational, maintenance and future capital funding impacts associated with this purchase going forward.

### **Conclusion**

Based on the analysis and evaluation of the submissions received, Fleet Services in conjunction with Waste Management and Purchasing and Supply recommend that RFP 21-33 be awarded to Vision Truck Group, 1445 Sise Rd., London, ON N6N 1E1 for the supply and delivery of two (2) Compressed Natural Gas (CNG) Front Loading Waste Disposal Trucks.

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

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

**Concurred by:**                    **Jay Stanford, MA, MPA**  
**Director, Climate Change, Environment & Waste**  
**Management**

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

Attached:    Appendix A – Source of Finance

## Appendix "A"

#21108

June 22, 2021

(Award Contract)

Chair and Members

Civic Works Committee

RE: RFP21-33 Supply and Delivery of CNG Front Loading Waste Disposal Trucks

(Work Orders 2487276 and 2487275)

Capital Project ME202001 - Vehicles and Equipment Replacement - TCA

Vision Truck Group - \$811,970 (excluding HST)

### Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this purchase can be accommodated within the financing available for it in the Capital Budget, and that, subject to the approval of Deputy City Manager, Finance Supports, the detailed source of financing is:

<b>Estimated Expenditures</b>	<b>Approved Budget</b>	<b>Committed To This Date</b>	<b>This Submission</b>	<b>Balance for Future Work</b>
<b>ME202001 - Vehicles and Equipment Replacement - TCA</b>				
Vehicles and Equipment	6,003,312	1,107,576	826,261	4,069,475
<b>Total Expenditures</b>	<b>\$6,003,312</b>	<b>\$1,107,576</b>	<b>\$826,261</b>	<b>\$4,069,475</b>

### Sources of Financing

#### ME202001 - Vehicles and Equipment Replacement - TCA

Capital Levy	701,267	101,267	100,000	500,000
Drawdown from Fleet Renewal Reserve Fund	5,183,927	891,191	726,261	3,566,475
Drawdown from Self Insurance Reserve Fund	115,118	115,118	0	0
<b>Total Financing</b>	<b>\$6,000,312</b>	<b>\$1,107,576</b>	<b>\$826,261</b>	<b>\$4,066,475</b>

### Financial Note:

Contract Price	\$811,970
Add: HST @13%	105,556
Total Contract Price Including Taxes	917,526
Less: HST Rebate	-91,265
Net Contract Price	\$826,261

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Jason Davies  
Manager of Financial Planning & Policy

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