

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

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

Subject: SS-2023-026 - Single Source Purchase of Ravo Street Sweepers

Date: January 31, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions **BE TAKEN** with respect to the purchase of six (6) Ravo Street Sweepers:

- a) Approval **BE GIVEN** to execute a Single Source purchase as per section 14.4 (d) and (e) of the City of London's Procurement of Goods and Services Policy;
- b) Single Source negotiated price **BE ACCEPTED** to purchase six (6) 2023 Ravo 5 iSeries Vacuum Street Sweepers for a total estimated price of \$2,022,099.24 (excluding HST) from Cubex Ltd., 189 Garden Avenue, Brantford, Ontario N3S 0A7;
- 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 purchase agreement relating to the subject matter of this approval in accordance with Sections 14.4(d)(e) and 14.5(a)(ii) of the Procurement of Goods and Services Policy; and
- e) That the funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached, hereto, as Appendix A.

Executive Summary

Currently, the City owns and operates six (6) Ravo 5 iSeries vacuum street sweepers. Since purchasing the first group of Ravo street sweepers in 2016, they have proven to meet the operational needs of Transportation and Mobility Division in terms of performance, maintenance, comfort, and versatility. This report recommends approving the purchase of six 2023 Ravo 5 iSeries vacuum street sweepers using the single source provisions found in section 14.4 (d) & (e) of the Procurement of Goods and Services Policy.

Fleet Services is scheduled to replace four in-service Ravo sweepers that have been identified for life cycle replacement in the 2023 Fleet capital replacement schedule. Furthermore, Transportation & Mobility Division has identified the need for two additional street sweepers to support their Road Operations maintenance program including spring clean up services on roads and increased service level requirements for sweeping in specialized areas like bike lanes and the City's core. These two additional units would bring the total number of City owned units to eight.

The single source process is recommended given the operational efficiencies of managing a standardized street sweeper fleet and that Cubex Ltd. is the nearest and only authorized Ravo dealer in Ontario. 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 roads, bike lanes and downtown sidewalks falls within the Roadside Operations maintenance program. The street sweeping service is a critical piece of road infrastructure maintenance and a service that is appreciated and visible to many Londoners. Currently the City owns and operates six Ravo vacuum street sweepers. The program functions primarily during the spring, summer and fall and is double shifted daily for the length of the seasonal (7-8 month) program. In addition to the safety and 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.

Four of the six existing City owned street sweeping assets were purchased in 2016 through the life cycle maintenance program with two more units being added to the fleet compliment in 2017 and 2021. The purchase of these street sweepers was awarded to Cubex Inc. for their Ravo 5 iSeries Vacuum Street Sweeper as they provided the best solution for the City's operational needs including performance, maintenance, comfort and flexibility. From a versatility perspective, the Ravo street sweeper includes a third broom that can reach uncollectable areas. Based on past specific field testing, maintenance inspections and operational experience we now have, the Ravo street sweeper is an effective and financially responsible choice.

In 2022, Transportation & Mobility Division established a requirement for two more additional street sweepers to be added to their fleet. The need for additional sweepers is due to a few factors:

- 1) Growth – increase in linear assets (roads/bike lanes) over the past 5-10 years,
- 2) Non-Availability of 3rd party (contracted) sweepers during peak times, and
- 3) Higher sweeping frequency required for bike lanes to reduce risks and liability.

The additional two units would bring the total fleet compliment of street sweepers to eight. The recommended single source purchase of similar model Ravo street sweepers provide operational efficiencies by:

- Reducing the need for additional operator training
- Reducing the need for additional maintenance technician training
- Eliminating the need to stock additional parts in the stores inventory.

1.1 Previous Reports Related to this Matter

Relevant reports and previous Committee meetings can be found at the links below:

- Replacement of Street Sweepers – Single Source Procurement

(November 3, 2015 meeting of the Civic Works Committee, Item #9)
[Civic Works Committee - November 03, 2015 \(escribemeetings.com\)](#)
CWC Report: [filestream.ashx \(escribemeetings.com\)](#)

- Single Source Procurements - Street Sweeper and Sidewalk Sweeper
(May 9, 2017 meeting of the Civic Works Committee, Item #10)
[Civic Works Committee - May 09, 2017 \(escribemeetings.com\)](#)
CWC Report: [filestream.ashx \(escribemeetings.com\)](#)
- Single Source Additional Ravo Street Sweeper
(June 22, 2021 meeting of the Civic Works Committee, Item #2.12)
[Civic Works Committee - June 22, 2021 \(escribemeetings.com\)](#)
CWC Report: [filestream.ashx \(escribemeetings.com\)](#)

2.0 Discussion and Considerations

2.1 Procurement Process

Ravo street sweepers can only be sourced through a certified dealer and Cubex Ltd. is Ontario's only authorized Ravo dealer. A formal quote was received from Cubex Ltd. for the purchase of six 2023 Ravo 5i Street Sweeper units with a total estimated price of \$2,022,099.24 (excluding HST). The estimated purchase price per unit is \$337,016.54 (excluding HST).

Fleet Services has determined that the purchase of these Ravo Street Sweeping units provides the best value to the City of London and intends to purchase this equipment as a single source transaction as per Section 14.4 of the procurement of Goods and Services Policy, specifically sections d and e:

- 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 (i.e. contract extension or renewal);
- e. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;

2.2 Disposal of Decommissioned Units

Fleet Services' goal is to recover 15% of the original purchase price when an asset is decommissioned. The four in-service sweepers will be decommissioned after the new units arrive and will be sold at public auction with the proceeds being utilized to help offset the cost of purchasing new sweeper units.

3.0 Financial Impact

3.1 Project Budget

The Fleet and Operational Services approved 2023 capital replacement budget for this project (the four replacement sweeper units) was originally set in 2019 for the 2020-2023 multi-year budget. The estimated budget per unit was set at \$278,375 with a total budget of \$1,113,500. The quoted price per unit is \$337,016 totalling \$1,348,064. The \$234,564 total price increase and budget shortfall is due to continued market changes and challenges in the vehicle and equipment industry that include increased supply chain costs due to the pandemic, costs of raw materials, and inflationary increases across the manufacturing sector.

The \$234,564 shortfall can be supported within the Fleet and Operational Services approved 2023 capital replacement budget. The source of funding for the shortfall in this project will be funded from surpluses in the program from other projects that were deferred, retired, or will not be replaced.

Transportation & Mobility Division is responsible for providing the capital budget and funding source for the additional sweeper two units. The total funding required for the purchase of the two additional units is \$674,034. An application presented to the Senior Leadership Team (SLT) requesting funding from the Efficiency, Effectiveness, and Economy (EEE) Reserve Fund to purchase the two additional units was supported through the SLT. With the addition of two new City owned sweepers, it is anticipated the need for contracted sweepers will be reduced by an estimated 20%. These savings will be used to pay back the EEE Reserve over a period of up to 8 years.

3.2 Project Funding

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

Funding for the purchase of six Ravo street sweepers will be provided through the appropriate Fleet Services approved 2023 capital replacement account which will be supplemented with the additional funding from the Efficiency, Effectiveness, and Economy (EEE) Reserve Fund for the two additional units.

The ongoing operating costs for fuel, maintenance, inspection, service, overhead and future capital replacement of the two additional sweepers 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 the purchase of the two additional sweeper units going forward which will be included as part of the 2024-2027 Multi-Year Budget process.

Conclusion

Fleet Services in conjunction with Transportation & Mobility Division recommend approval for the single source purchase of six 2023 Ravo 5 iSeries Vacuum Street Sweepers for a total estimated price of \$2,022,099.24 (excluding HST) from Cubex Ltd.

The recommendation provides the best overall value to the City of London that meet operational requirements and the needs of a growing community.

Prepared by: Drew Freeman, P.Eng
Senior Manager, Fleet
Finance Supports

Submitted by: Lynda Stewart
Director, Fleet and Facilities
Finance Supports

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

Attached: Appendix A – Source of Finance

Appendix "A"

#23018

January 31, 2023
 (Appointment of Services)

Chair and Members
 Civic Works Committee

RE: SS-2023-026 - Single Source – Purchase of Ravo Street Sweepers
 (Work Order W2563319) 11-150
 (Work Order W2563320) 11-151
 (Work Order W2563321) 11-152
 (Work Order W2563322) 11-153
 (Work Order W2563323) Additional #1
 (Work Order W2563324) Additional #2
 Capital Project ME202301 - Vehicle & Equipment Replacement - TCA
 Cubex Ltd. - \$2,022,099.24 (excluding HST)

Finance Supports Report on the Sources of Financing:

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

Estimated Expenditures	Approved Budget	Committed To This Date	This Submission	Balance for Future Work
Vehicle and Equipment	6,132,598	0	2,057,688	4,074,910
Total Expenditures	6,132,598	0	2,057,688	4,074,910

Sources of Financing

Capital Levy	342,190	0	342,190	0
Drawdown from Fleet Renewal Reserve Fund	5,104,511	0	1,029,601	4,074,910
Drawdown from Operating EEE Reserve	685,897	0	685,897	0
Total Financing	\$6,132,598	\$0	\$2,057,688	\$4,074,910

Financial Note:

Contract Price	\$2,022,099
Add: HST @13%	262,873
Total Contract Price Including Taxes	2,284,972
Less: HST Rebate	-227,284
Net Contract Price	<u>\$2,057,688</u>

Alan Dunbar
 Manager of Financial Planning & Policy

hb/jg