

Report to Community and Protective Services Committee

To: Chair and Members,
Community and Protective Services Committee

From: Cheryl Smith, Deputy City Manager, Neighbourhood and
Community-Wide Services

Subject: London Fire Department Single Source Request for Fire
Apparatus – SS-2023-172

Date: June 13, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the following actions be taken with respect to the single source procurement of fire apparatus:

- a) In accordance with Section 14.4(g) of the Procurement of Goods and Services Policy, Fire Administration **BE AUTHORIZED** to enter into negotiations with City View Specialty Vehicles, 1213 Lorimar Drive, Mississauga, ON, L5S 1M9, for pricing for a single source contract for one (1) year (2023) with four (4) option years (2024-2027) for the provision of Fire Apparatus to the London Fire Department;
- b) The London Fire Department **BE AUTHORIZED** to procure four (4) Fire Apparatus: 1 Pumper Rescue, 1 Tanker Pumper, 1 Heavy Rescue, and 1 Decontamination Response Vehicle from City View Specialty Vehicles, for \$7,895,136, excluding HST, including a contingency for currency exchange rate; and
- c) That the funding for this 2023 procurement **BE APPROVED** as set out in the Source of Financing Report, attached as Appendix A.

Executive Summary

This report requests authorization from Council for Civic Administration to purchase four (4) fire apparatus for delivery in 2024 in accordance with London Fire Department's Fire Master Plan and establish a contract with City View Specialty Vehicles for frontline vehicle replacement purchasing in 2024-2027.

Previous Reports Pertinent to this Matter

- [London Fire Department Emergency Tanker Repair](#) (March 21, 2023)
- [London Fire Department Single Source Request for Engine and Aerials](#) (Feb 22, 2023)
- [Fire Master Action Plan](#) (June 21, 2022)
- [London Fire Department Emergency Apparatus Procurement](#) (Aug 31, 2021)
- [London Fire Department Single Source Apparatus Procurement](#) (Aug 31, 2021)
- [London Fire Department Emergency Repair](#) (May 11, 2021)

Linkage to the Corporate Strategic Plan

This London Fire Department Single Source Request (SS-2023-172) for Fire Apparatus report is aligned with the following strategic areas of focus and outcomes from the City of London Strategic Plan 2023-2027:

- Wellbeing and Safety: London has safe, vibrant, and healthy neighbourhoods and communities.

- Well-Run City: Londoners experience good stewardship, exceptional and valued service.

Analysis

1.0 Background Information

1.1 Context

The lifecycle for frontline fire vehicles has been 20 years, 17 years frontline and an additional three years as a spare vehicle. The London Fire Department's Fire Master Plan proposed a frontline vehicle lifecycle replacement schedule of 12 + 3 years, 12 years frontline and an additional three years as a spare vehicle.

In addition, in effort to extend the lifecycle of fire vehicles, consideration will be given to new fire apparatus being assigned to busier stations and then moved to less busy stations at a later time to allow for full use of warranty and manage excessive mileage on a single given vehicle.

This new fleet lifecycle replacement plan (12 + 3 years) includes the immediate purchase of four (4) new apparatus to replace those that have the most significant mechanical needs. It is recommended that an additional four (4) vehicles should be purchased in early 2024, subject to approval in the 2024 - 2027 Multi-Year Budget, in order to continue to replace an aging fleet to avoid future cost and service implications.

Significant cost increases continue to plague the industry resulting in much higher purchasing costs than anticipated. During the next quarter a 6% minimum increase has been reported to occur. From now until approval of the next Multi-Year Budget, being eight months, there may be more than one increase during this time.

Further to the cost increases that are being seen for vehicle purchases, the same can be seen in parts and service. Recently, a single frame rail replacement was done for a similar cost to a double frame rail replacement just two years ago. Other parts are being purchased at double the rate from two years ago if they are even available. Replacing the aging apparatus will aid in avoiding the expense of the required and costly maintenance.

The timeliness of these orders is crucial as the dealer, City View Specialty Vehicles ("City View"), advised that the build time is currently 18-24 months. Once delivery is made, specialized training for three weeks including mechanical, maintenance, and operations training will be locally delivered prior to placing vehicles into frontline service.

The timeliness of ordering vehicles for replacement and the ordering of parts and equipment for ongoing maintenance is critical for continuance of service. The LFD continues to plan ahead so as to avoid service delivery issues. Timely replacement of aging vehicles is key to ensuring uninterrupted service.

Consideration of firefighter health and wellness is a primary area of focus when looking at the design and functions of fire apparatus. As such, the design of the vehicles assists in the reduction of injuries as well as cancer prevention by including built-in Air Scrubbers.

With a focus on the [City of London Climate Emergency Action Plan](#), and as the City of London moves operations to become more environmentally viable to better align with the [Canadian Environmental Protection Act, 1999 \(CEPA\)](#), the LFD included this strategy in the proposal of the new apparatus. The new vehicles will be hybrid in nature, being equipped with Idle Reduction Technology.

2.0 Discussion and Considerations

2.1 Procurement Process

Utilizing the expertise of City of London's Procurement and Supply Services, the LFD was able to access the Canoe Procurement Group of Canada program to connect with Rosenbauer/City View Specialty Vehicles. The Canoe Procurement Group is a Group Procurement Organization (GPO) entity that leverages the purchasing power of its membership to obtain discounted pricing that may not be available to a single organization on its own. The City of London is a member of the Canoe Procurement Group. All offerings through the Canoe Procurement Group have undergone a formal competitive bid process on behalf of Ontario's municipalities, ensuring full compliance with the Procurement of Goods and Services by-law and trade agreements. The City issued a public notification of its intent to use various GPOs on January 30, 2023.

To pursue the advantages of this GPO, the LFD seeks to enter into a contract with Rosenbauer/City View Specialty Vehicles, 1213 Lorimar Drive, Mississauga, ON, L5S 1M9, utilizing the single source procurement clause as outlined in section 14.4(g) of the Procurement of Goods and Services Policy below. Therefore, the Deputy City Manager, Neighbourhood and Community-Wide Services, seeks authorization to have the noted apparatus procured from a single source.

Standardization of fire apparatus and equipment across the LFD fleet of frontline vehicles is another critical aspect that had to be considered in this selection. The LFD's team of Emergency Vehicle Technicians maintains vehicles more easily if components of these new vehicles remain consistent. The supplier of these new vehicles meets this need of consistency as well as provides 24/7 response to mission critical parts and service needs.

The proposed selected vendor is also reviewing build time processes which affect their ability to produce the needed frontline fire apparatus within a reasonable timeframe. The vendor, like most, is affected by the critical raw material shortages across the world. To combat the increased delays in the manufacturing process, they are researching and instituting innovative ways to efficiently reduce build times. Reducing the time from order to delivery is critical so that the LFD can continue to respond to emergencies, thereby keeping Londoners safe.

2.2 Fire Apparatus Procurement

London Fire Department Frontline Large Vehicle Replacements					
	2023	2024	2025	2026	2027
Pumper Rescue	1	1	3	2	
Tanker Pumper	1			1	1
Heavy Rescue	1				
Decontamination Response Vehicle & POD	1				
Hazardous Materials Response		1			
Aerial Ladders		2			1
Technical Rescue			1		
Total per year	4	4	4	3	2

For 2023, the price of the Pumper Rescue is \$1,817,606 CAD (excluding HST) and the estimated cost for equipping each Pumper/Rescue is \$229,065 CAD. This delivery, outfitting, and putting into service is expected to be completed by Q4 2024. The total cost of this (1) Pumper/Rescue, including equipment, will be \$2,046,671 CAD (excluding HST). When assigned into frontline service, the vehicle being replaced will then become part of the spare fleet.

For 2023, the price of the Tanker/Pumper is \$1,955,500 CAD (excluding HST) and the estimated cost for equipping the Tanker/Pumper is \$229,065 CAD. This delivery, outfitting, and putting into service is expected to be completed by Q4 2024. The total cost of this Tanker/Pumper, including equipment, will be \$2,184,565 CAD (excluding

HST). This new vehicle will be replacing an aging reserve 2002 Tanker while at the same time providing the option to utilize this new vehicle as a Spare Pumper during the transition of the fleet to a 15-year lifecycle.

For 2023, the price of the Heavy Rescue is \$1,893,900 CAD (excluding HST) and the estimated cost for equipping the Heavy Rescue is \$120,000 CAD. This delivery, outfitting, and putting into service is expected to be completed by Q4 2024. The total cost of this Heavy Rescue, including necessary equipment, will be \$2,013,900 CAD (excluding HST). This vehicle will be replacing 2004 Heavy Rescue that has been placed out of service due to the cost of maintenance being greater than the value of the vehicle.

For 2023, the price of the Decontamination Response Vehicle is \$1,300,000 CAD (excluding HST) and the estimated cost for equipping the Decontamination Response Vehicle is \$50,000 CAD. This delivery, outfitting, and putting into service is expected to be completed by Q4 2024. The total cost of this Decontamination Response Vehicle, including equipment, will be \$1,350,000 CAD (excluding HST). This vehicle is a multi-lift truck that will work with a pod system. An example of this vehicle is seen below.



The accompanying London Fire Department Single Source Request for a Decontamination Pod SS-2023-171 report has identified the procurement of a Decontamination Pod (as shown below). This second report is due to the fact that the Pod is supplied by a different vendor than the Decontamination Response Vehicle noted above.



The total for all four (4) vehicles will be \$7,595,136 CAD (excluding HST) based on the above, plus an additional \$300,000 as a contingency amount for any potential currency exchange rate increases between the time of report production and execution of the purchase. Any unused portion of the additional \$300,000 contingency would be returned to the Efficiency, Effectiveness, and Economy (EEE) Reserve.

To address extended lead times on new vehicle orders, and to maintain existing service levels, it has become imperative that the LFD purchase vehicles in a timely manner as outlined above. This current purchase will be for one (1) Pumper/Rescue, one (1) Tanker/Pumper, one (1) Heavy Rescue, and one (1) Decontamination Response Vehicle to replace aging vehicles utilizing the single source procurement clause as outlined in sections 14.4(g) of the Procurement of Goods and Services Policy.

Sections 14.4(g) of the Procurement of Goods & Services Policy

14.4 Single Source

Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications. The procurement may be conducted using a Single Source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular, as follows:

- g. It is advantageous to the City to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body or a Group Procurement Organization (GPO).

2.3 Next Steps

In accordance with the Occupational Health and Safety Act, the LFD Apparatus Division will be trained in the maintenance of the new apparatus by the manufacturing specialists. In addition, the LFD Suppression Division will be trained for everyday maintenance and specialized operations by trained personnel prior to placing the vehicles into frontline service.

The Fire Master Plan provides direction for the gradual replacement of the aging fleet aligning with the Corporate Strategic Plan for 2023 – 2027 and the Multi-Year Budget of 2024 - 2027. The fleet replacement plan has laid out actions for replacement years and estimated costs of emergency and non-emergency vehicles in the LFD's fleet. This provides for an overall vision, direction, and guidance for Council to make decisions about service improvements and enhancements through fire hall locations, fleet configuration, and any other elements that affect the delivery of fire services to match the growing needs of the community.

The LFD, in collaboration with Procurement and Supply Services, continues to explore group buying opportunities to reduce costs, streamline the purchasing process, allow for standardization of vehicles and equipment, and ensure that the LFD's future fleet of fire vehicles will be of high quality and meet requirements.

3.0 Financial Impact/Considerations

The costs of these vehicles exceed the available capital budgets that have been previously approved. However, additional funding is available in the Efficiency, Effectiveness, and Economy Reserve for this purchase to offset the required budget increase per the Source of Financing Report attached as Appendix A. The Efficiency, Effectiveness, and Economy Reserve provides funding for opportunities that create efficiency, effectiveness, and economy. Returns can range from increased future revenues, decreased future expenditures, increased service levels, and improved service quality. As noted earlier in this report, the timeliness of these purchases is important because of rapid cost increases, long lead times, and the need to ensure critical services are maintained. Using funding from the Efficiency, Effectiveness, and Economy Reserve for these purchases will achieve three of noted returns: decreased expenditures, increased service levels and improved service quality. The Fire Master Plan action to reduce the lifecycle of LFD vehicles, including impacts to the Fire Facilities, Vehicle, and Equipment Renewal Reserve Fund, will be considered during preparation of the 2024 - 2027 Multi-Year Budget and beyond.

Conclusion

Administration is recommending the single source (SS-2023-172) procurement of Fire Apparatus as per Section 14.4(g) of the Procurement of Goods and Services Policy in accordance with the Fire Master Plan to replace an aging fleet, reduce order lead time, reduce maintenance costs, and avoid further inflated costs as the result of the City conducting a stand-alone competitive bidding process.

Prepared by: Gary Mosburger, Platoon Chief Manager

Submitted by: Richard Hayes, Acting Fire Chief

Recommended by: Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

c: Jason Davies, Manager III, Financial Planning and Policy, Finance Supports
Steve Mollon, Manager, Purchasing and Supply, Finance Supports
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Source of Finance Report

Appendix "A"

#23125

June 13, 2023

(Single Source Contract)

Chair and Members

Community and Protective Services Committee

RE: London Fire Department Single Source Request for Fire Apparatuses

Capital Project FS115223 - Emergency Fire Vehicle

City View Specialty Vehicles, Inc. - \$7,595,136 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project cannot be accommodated within the financing available for it in the Capital Budget but can be accommodated with funding available in the Operating Efficiency, Effectiveness and Economy Reserve and that, subject to the adoption of the recommendations of the Deputy City Manager, Neighbourhood and Community-Wide Services, the detailed source of financing for this project is:

Estimated Expenditures	Approved Budget	Additional Funding Requirement	Revised Budget	Committed To Date	This Submission
Vehicle & Equipment	2,043,839	8,028,811	10,072,650	2,043,839	8,028,811
Total Expenditures	\$2,043,839	\$8,028,811	\$10,072,650	\$2,043,839	\$8,028,811

Sources of Financing

Drawdown from Fire Facilities, Vehicle and Equipment Renewal Reserve Fund	2,043,839	0	2,043,839	2,043,839	0
Drawdown from Operating Efficiency, Effectiveness and Economy Reserve (Note 1)	0	8,028,811	8,028,811	0	8,028,811
Total Financing	\$2,043,839	\$8,028,811	\$10,072,650	\$2,043,839	\$8,028,811

Financial Note:

	FS115223
Vehicle Cost	\$7,595,136
Add: HST @13%	987,368
Total Contract Price Including Taxes	8,582,504
Less: HST Rebate	-853,693
Add: Exchange Rate Contingency	300,000
Net Contract Price	\$8,028,811

Note 1: The additional funding requirement for this project can be accommodated by a drawdown from Operating Efficiency, Effectiveness and Economy Reserve. The forecasted balance of the reserve will be \$13.4M with the inclusion of this project.

Kyle Murray

Director, Financial Planning & Business Support

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