

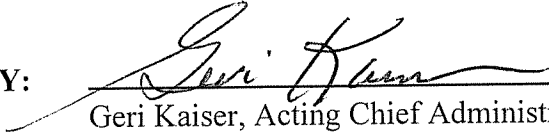


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**Halifax Regional Council**  
**July 04, 2006**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**   
Geri Kaiser, Acting Chief Administrative Officer

  
Wayne Anstey, Deputy Chief Administrative Officer - Operations

**DATE:** June 26, 2006

**SUBJECT:** Request for Proposal # 06-043 - Supply of Forty-foot Transit Buses

**ORIGIN**

The 2006/07 Capital Budget, in support of Transit Services.

**RECOMMENDATION**

It is recommended that:

1. Council authorize the award of RFP # 06-043, for a three-year period, to the highest ranking proponent, New Flyer Industries.
2. Pursuant to RFP #06-043, Council approve the purchase of twenty-five (25) buses at a cost of \$8,999,825 (including net HST) with funding from Capital Account CVD00434 and CVD00435 as outlined in the Budget Implications section of this Report
3. Pursuant to RFP #06-043, Council authorize up to an additional fifty (50) buses in 2007/08 and 2008/09, contingent upon Council approval of capital funding through the capital budget process for those years at an additional cost of \$18,923,850 (including net HST).
4. Council approve the purchase of one (1) spare engine module from New Flyer Industries at a cost of \$67,820 (including net HST), with funding from Capital Account CVD00434, as outlined in the Budget Implications section of this Report.

## **BACKGROUND**

There is a requirement to purchase up to a total of seventy-five (75) forty-foot transit buses within the next three years. For 2006/2007, the requirement is for fifteen (15) replacement buses and ten (10) expansion buses. The replacement buses will permit removal from service a total of fifteen buses that are at the end of their useful life after being in service an average of twenty years. The ten expansion buses are required based on Council's stated priorities for growth of Transit Services.

Request for Proposal # 06-043 was issued on March 22<sup>nd</sup>, 2006 and closed on May 31<sup>st</sup>, 2006.

## **DISCUSSION**

Three companies responded to the Request for Proposals:

- New Flyer Industries
- Nova Bus
- Orion Bus Industries.

Proposals were evaluated in three key areas: financial, technical, and vendor support. The New Flyer Industries proposal received the highest overall score, as detailed in Appendix "A". Therefore, staff is recommending award of the three-year agreement to New Flyer Industries.

The buses are fully accessible low-floor design, and also include air-conditioning and exterior bicycle racks to enhance the comfort / service to Transit customers.

## **BUDGET IMPLICATIONS**

Budget Summary: Capital Account No.CVD00434 - Conventional Bus Expansion

Cumulative Unspent Budget	\$4,282,772
Less: RFP # 06-043 (10 buses in 2006/07)	\$3,599,930 *
Less: RFP # 06-043 (engine module in 2006/07)	\$ 67,820
Uncommitted Budget	<u>\$ 615,022</u>

Capital Account No. CVD00435 - Conventional Bus Replacement

Cumulative Unspent Budget	\$7,739,542
Less: RFP # 06-043 (15 buses in 2006/07)	\$5,399,895 *
Uncommitted Budget	<u>\$2,339,647</u>

\* The budget for these units was estimated in the 2006/07 Capital Budget at \$435,000 per unit. Favourable pricing has resulted from the current US exchange rate, combined with refinements made in the RFP detailed specifications that contributed to the vendors' ability to provide competitive pricing.

A 5% contingency is requested to be used, as required, during the final build of the buses, as well as for costs associated with pre and post-delivery inspections, and costs required for final fit-up of the buses for road use. The balance of available funds in Capital Projects CVD00434 and CVD00435 will be used to fund future Transit initiatives.

The budget availability has been confirmed by Financial Services.

### **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

### **ALTERNATIVES**

Defer replacement / expansion of forty-foot buses until a later date. This alternative is not recommended as it will result in higher operating costs due to the age of the existing buses requiring replacement, and will also limit expansion of Transit Services to the public.

### **ATTACHMENTS**

Appendix "A" - Evaluation Matrix.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208

Report Prepared By: Dale Carman, Senior Procurement Consultant, 490-6476

Business Unit Review:

*Susan Lawrence, Acting GM, Fleet Services*  
~~for~~ Paul Beauchamp, General Manager, Fleet Services, 490-6604

*[Signature]*  
Paul McDaniel, General Manager, Transit Services, 490-6608

*[Signature]*  
Michael Labrecque, Director, Transportation and Public Works, 490-4855

Procurement Review:

*Anne Feist*  
Anne Feist, Operations Manager of Procurement, 490-4200

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Barb Palmeter, Financial Consultant, 490-7221

Report Approved By:

*[Signature]*  
Catherine Sanderson, Senior Manager, Financial Services, 490-1562

**APPENDIX "A"**  
**HALIFAX REGIONAL MUNICIPALITY**  
 Request for Proposals # 06-043  
 Supply of Up To Seventy-Five(75) Forty Foot Buses

Criteria	MAX SCORE	Company Name		
		New Flyer	Nova Bus	Orion
1. <b>Financial:</b>  Overall costs including price per bus, inventory, training, tooling, delivery, maintenance, operating costs and any benefits accruing due to other factors.	40	39	34.5	29
2. <b>Technical:</b>  Compliance with minimum requirements and preferences in specifications.	30	28	28	25
3. <b>Vendor Support:</b>  Sales, service, warranty, documentation, parts availability, industry reputation and number of units sold.	30	28	28	20.5
<b>TOTAL</b>	<b>100</b>	<b>95 **</b>	<b>90.5</b>	<b>74.5</b>
<b>RANKING</b>		<b>1</b>	<b>2</b>	<b>3</b>
<b>Cost per Unit (including net HST)</b> 2006/07 2007/08 2008/09		\$359,993 \$375,761 \$381,193	\$377,072 \$386,076 \$396,441	\$397,302 \$413,054 \$429,432
<b>Total Cost (including net HST) of 75 Buses over a three (3) Fiscal-Year Period</b>		<b>\$27,923,647</b>	<b>\$28,989,710</b>	<b>\$30,994,677</b>

\*\* Recommended Proponent