



P.O. Box 1749
Halifax, Nova Scotia
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Item No. 11.1.1
Halifax Regional Council
March 18, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by _____
Mike Labrecque, Acting Chief Administrative Officer

Original Signed by Director

Dave Hubley, Acting Director, Transportation and Public Works

DATE: February 6, 2014

SUBJECT: Award - Tender No. 13-136 - Four (4) Compactor Trucks

ORIGIN

The Approved 2013/14 Project Budget.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79, Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, The Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFPs.

The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council award Tender No. 13-136, for the supply of Four (4) Compactor Trucks, to the lowest bidder meeting specifications, ***Joe Johnson Equipment***, at a Total Price of \$512,308.56 (net HST included) with funding from Project Account – CVD01087 - Fleet Vehicle Replacement - as outlined in the Financial Implications section of this report.

BACKGROUND

Tender No. 13-136 for the purchase of Four (4) Compactor Trucks was posted to the Province of Nova Scotia's Procurement website on November 30, 2013 with a closing date of December 17, 2013.

Tender proposals were received from the following:

<i>Company Name</i>	<i>Price Per unit</i>	<i>Net HST</i>	<i>Total Per unit</i>	<i># of units</i>	<i>Total</i>
Joe Johnson Equipment*	\$ 122,813.36	\$ 5,263.78	\$ 128,077.14	4	\$ 512,308.56
Saunders Equipment (b)	\$ 124,050.00	\$ 5,316.78	\$ 129,366.78	4	\$ 517,467.13
Saunders Equipment (a)	\$ 128,340.00	\$ 5,500.65	\$ 133,840.65	4	\$ 535,362.61
Haul-All Equipment (b)	\$ 130,153.20	\$ 5,578.37	\$ 135,731.57	4	\$ 542,926.26
Haul-All Equipment (a)	\$ 153,117.20	\$ 6,562.60	\$ 159,679.80	4	\$ 638,719.21

* Recommended Bidder

DISCUSSION

As per the terms of Tender No. 13-136, Joe Johnson Equipment will be supplying four (4) New Way Freightliner trucks equipped with Mamba M2-106 compactors for use by the Municipal Operations Division of Transportation & Public Works. The compactor trucks are used in the service truck operation of Municipal Operations when collecting public garbage that has been discarded into our public litter receptacles throughout HRM as well as the various community clean ups and Adopt A Highway programs we participate in

The trucks identified in this report, under normal circumstances, would not be scheduled for replacement after only six (6) years of service. However, after reviewing the associated repair costs and given their lack of reliability, they have been targeted for early replacement. The "cab over" design of this truck is not popular in fleets across North America and there are a low number of units in Canada. The base chassis is made in China and assembled in Thailand, which means the dealer network support and parts supply is very limited. When a mechanical failure occurs requiring parts to correct, there are long delivery delays and parts costs are excessive.

The current trucks are proving to be costly to operate, have long periods of down time and are actually impeding the delivery of the litter collection service. Corporate Fleet, in an effort to provide an interim measure to correct the problem, looked at replacing the truck chassis and reinstalling the old compactor. The initial estimate showed there to be no savings in reusing the old compactors and in all likelihood, the final price would be higher than buying new vehicles; therefore, it is Corporate Fleet's recommendation to replace the vehicle as soon as possible.

The following units are targeted for replacement and will be sold as surplus:

Vehicles to be Replaced						
#	Unit #	Make	Model	Year	Kilometres	Condition Rating*
1	53TK001	General Motors	T5500	2008	183,023	59 %
2	53TK002	General Motors	T5500	2008	221,790	58 %
3	53TK003	General Motors	T5500	2008	170,847	58 %
4	53TK004	General Motors	T5500	2008	211,986	58 %

* Condition Rating denotes the assessed overall condition of the vehicle/equipment out of a possible score of 100%. Vehicles rated at 60% or less are considered for replacement.

Any vehicle or piece of equipment scheduled for replacement is stripped of all salvageable equipment that HRM may be able to reuse, then the unit is sold at auction. Revenue received from the sale of these units will be placed into Q204 General Fleet Reserve.

Delivery of the new equipment will be approximately two hundred (200) calendar days from the receipt of purchase order.

FINANCIAL IMPLICATIONS

Corporate Fleet recommends the award of this tender based on the lowest tendered price meeting specifications of \$491,253.44 plus net HST of \$21,055.12 for a total tender cost of \$512,308.56.

Funding is available from Project Account No. CVD01087 – Fleet Vehicle Replacement.

Budget availability has been confirmed by Finance.

Budget Summary: Project Account No. CVD01087 – Fleet Vehicle Replacement

Cumulative Unspent Budget	\$2,446,125.43
Less: Tender No. 13-136	<u>\$ 512,308.56</u>
Balance	\$1,933,816.87

* This project was estimated in the Approved 2013/14 Project Budget at \$542,287.00

The balance of funds will be used to complete the Fleet Vehicle Replacement Program.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

Council, at its discretion, may choose to not award this tender keeping the existing units in service beyond their useful service life. However, this may result in a loss of service and/or higher operating costs due to increased maintenance needs and/or mechanical failure.

This course of action is not recommended.

ATTACHMENTS

None

A copy of this report and information on its status can be obtained by contacting the Procurement Office at 490-4170, or Fax 490-6425.

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Report Approved by: _____
David Hubley, P.Eng., A/Director, Transportation and Public Works (490-4855)