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Halifax Regional Council  
July 15, 2003

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

**SUBMITTED BY:**

A handwritten signature in black ink, appearing to read "George McLellan".

George McLellan, Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Mike Labrecque for".

Mike Labrecque, Director, Real Property and Asset Management

**DATE:** July 10, 2003

**SUBJECT:** Award RFP 03-012, Forty Foot Transit Buses

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**ORIGIN**

Approved Capital Budget Program for 2003/2004, Transit Services Fleet - Conventional Transit Bus Expansion and Conventional Transit Bus Replacement

**RECOMMENDATION**

It is recommended that RFP 03-012, a three year purchase agreement for the supply of Forty Foot Transit Buses be awarded to the highest ranking proposal, New Flyer Industries for a cost of \$21,763,112.00 plus Net HST and an allowance of 5% for a total cost of \$ 24,279,921.93 with funding authorized as per the Budget Implications section of this report. The award for budget year 2004/2005 and 2005/2006 is contingent on Council approving funds through the Capital budget process for these years.

## **BACKGROUND**

The Halifax Regional Municipality will be using these buses to transport passengers throughout the service area of Metro Transit. The regular replacement of these vehicles helps reduce operating costs and enables Metro Transit to offer clients new bus configurations that answer the changing needs of our passengers.

The Low Floor Transit Buses now under consideration are an example of this as they are designed to allow easier access to the bus and to ease the burden on passengers with mobility limitations or that travel in wheelchairs.

The buses being replaced are either over 20 years old or the repairs necessary to continue service are far too great to be economical to HRM.

## **DISCUSSION**

A Request for Proposal was issued for the supply of up to fifty-eight (58) Forty Foot Transit Buses over three (3) years to operate over routes in the HRM, Transit Division service and surrounding area. Of the 58 units 33 will be assigned as replacements and 25 will be additions to the fleet. These expansion buses will be assigned to accommodate the expansion of Transit Services Routes outlined in the Transit Service Plan. The Request for Proposal was advertised on March 29, 2003 and closed on June 13, 2003.

The following firms submitted proposals:

- New Flyer Industries
- Nova Bus
- Orion Bus Industries

An evaluation team consisting of staff of Fleet Services, Transit Services and Procurement evaluated the proposal on the following basis:

- Financial
- Technical
- Vendor Support

The final scoring for each firm is as follows:

| Company              | Scoring (max. 100) |
|----------------------|--------------------|
| New Flyer Industries | 97.75              |
| Nova Bus             | 83.5               |
| Orion Bus Industries | 80.15              |

Attachment "A" provides the detailed breakdown of the total scoring and fees.

The review of the proposals identified that New Flyer Industries provides the best overall proposal including the lowest costs and shortest delivery time to the Halifax Regional Municipality and it is therefore recommended that they be awarded the contract.

This company provided HRM with the most recent purchases of 40 foot Transit Buses. HRM is satisfied with the performance of these buses.

Delivery for these new buses is expected to take 41 weeks.

**BUDGET IMPLICATIONS**

This award covers budget years 2003/2004, \*2004/2005 and \*2005/2006.

Approved budgets include the following:

Budget Summary      Project CVD00435, Conventional Transit Bus Replacement (5 vehicles)

Cumulative Unspent Budget      \$ 2,124,874.29  
**Less RFP 03-012**      **\$ 2,049,140.06**  
 Uncommitted Budget      \$ 75,734.23

Budget Summary      Project CVD00434, Conventional Transit Fleet Expansion (7 vehicles)

Cumulative Unspent Budget      \$ 3,080,000.00  
**Less RFP 03-012**      **\$ 2,868,796.09**  
 Uncommitted Budget      \$ 211,203.91

\* Contingent on Council approval through the Capital Budget process for those years.

Funds in the amount of \$ 4,400,820.00 plus an allowance of 5 % and Net H.S.T. for a total of \$ 4,917,936.15 are available for the first 12 vehicles. An allowance is required for any changes that must take place during final assembly of the vehicles either to comply with the most recent requirements of URB regulations or to comply with changes in Transit Operation requirements.

The award for budget year 2004/2005 and 2005/2006 is contingent on Council approving funds through the Capital budget process for these years.

### **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**

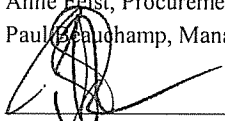
There are no recommended alternatives.

### **ATTACHMENTS**

Attachment "A"

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Anne Feist, Procurement Coordinator, 490-4200  
Paul Beauchamp, Manager, Fleet Services, 490-6604

Report Reviewed by:   
Peter Ross, Manager, Procurement, 490-6499

Report Approved by:   
Mike Labrecque, Director, Real Property and Asset Management, 490-4851

ATTACHMENT "A"

PROPOSAL EVALUATION CRITERIA

| Criteria  | Max Score  | PROPOSAL  |  |  |
|---|--|---|--|--|
|   |  | New Flyer Industries  | Nova Bus   | Orion Bus Industries   |
| <b>1. Financial:</b><br>Overall cost including price per bus, inventory, training, tooling, delivery, maintenance, operating costs. Benefits accrued due to non compliance items. * | 40.0<br><br>Yr 1 (12 units)<br>Yr 2 (26 units)<br>Yr 3 (20 units)<br><br>Overall Total Price (58 units)* | 40.0<br><br>\$ 366,735.00 per unit<br>\$ 374,112.00 per unit<br>\$ 381,769.00 per unit<br><br><b>\$ 21,763,112.00</b> | 33.5<br><br>\$ 386,462.00 per unit<br>\$ 391,966.00 per unit<br>\$ 396,431.00 per unit<br><br><b>\$22,757,280.00</b> | 32.4<br><br>\$ 399,000.00 per unit<br>\$ 408,975.00 per unit<br>\$ 419,199.37 per unit<br><br><b>\$23,805,337.40</b> |
| <b>2. Technical:</b><br>Compliance with requirements and preferences in specifications.   |  | 29.75   | 27.0   | 27.75  |
| <b>3. Vendor Support:</b><br>Sales, service, warranty, documentation, parts availability, number of units sold, industry reputation.  |  | 28.0  | 23.0   | 20.0   |
| <b>Total</b>  |  | 97.75**   | 83.5   | 80.15  |
| <b>Ranking</b>  |  | 1   | 2  | 3  |

\* Financial information does not include taxes or allowances.

\*\* Recommended Proponent.