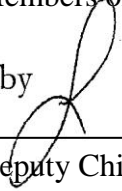


Item No. 11.1.15
Halifax Regional Council
July 5, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer, Operations

DATE: April 29, 2011

SUBJECT: Award of RFP No. 10 – 335 Four (4) Vacuum/Mechanical Street Sweepers

ORIGIN

2010/2011 Capital Budget.

RECOMMENDATION

It is recommended that Halifax Regional Council award RFP No. 10 – 335, Four (4) Vacuum/Mechanical Street Sweepers to the highest scoring proponent, Saunders Equipment, for a total cost of \$1,008,237.05 (net HST included), with funding from Project No. CVD01087 - Fleet Vehicle Replacement, as outlined in the Budget Implications section of this report.

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BACKGROUND

RFP No. 10-335 for Four (4) Vacuum/Mechanical Street Sweepers was issued on October 28th, 2010 and closed on November 30th, 2010. Submissions were received from the following proponents.

Proponent	Score (Max 100)
Saunders Equipment Ltd.	89.6*
Joe Johnson Equipment	85.7

*Recommended proponent

Each proposal submission was evaluated in the following areas:

1. Technical: Compliance with performance evaluation
2. Miscellaneous: Durability, Delivery and Testing
3. Operating: Fuel economy and Environmental Impact
4. Sweeper Operations: Workstation ergonomics, Driveability and Vehicle Controls
5. Financial: Price per Sweeper

A team consisting of staff from Municipal Operations, Corporate Fleet & Equipment and facilitated by Procurement, reviewed and evaluated the proposals on the criteria detailed in Appendix “A”. HRM received submissions on five (5) different sweeper models from two (2) vendors. Saunders Equipment offered 2 models and Joe Johnson Equipment offered 3 models. After the initial review, the evaluation committee determined that one (1) model from each vendor satisfied most of the requirements of the RFP and moved forward with the completion of the evaluation. The completion of the evaluation focused on two (2) significant areas:

1. Verifying the engine technology for both tailpipe emissions and fuel economy.
2. Completion of the Sweeper Operation section of the evaluation.

To complete the evaluation, site visits were conducted to examine the equipment submitted by each vendor. These sweepers are all designed differently and individually built to each cities requirements. We asked each company to organize a demonstration of a vehicle that most closely met our RFP requirements. Three (3) staff visited each vendor’s location, one to view the mechanical and maintenance, one to view the operation of the unit, and one operator to score the machines from an operator’s point of view (i.e. ergonomics, ease of operation, driveability and vehicle controls). Each vendor willingly allowed HRM staff to view, inspect and operate their equipment.

However, late in the evaluation process, the engine specified by Joe Johnson Equipment was determined to be not compliant with the specifications of the RFP. The scoring is provided in this report as staff did complete the evaluation.

In the final scoring, the sweeper being offered by Saunders Equipment provides superior vehicle ergonomics, ease of operation, better fuel economy and is compliant with the 2010 diesel engine emission standards. Upon completion of the evaluation, the sweepers offered by Saunders Equipment are being recommended.

DISCUSSION

Saunders Equipment will be supplying four (4) Allianz Johnson Model VT650 Vacuum/Mechanical Street Sweepers for use by Halifax Regional Municipal Operations.

These vehicles will be replacing units currently in service but beyond their useful life cycle.

Council Report

Any Units that are being replaced are first stripped of any salvageable equipment that HRM may be able to reuse and then, depending on condition, will be sold at auction and the revenue assigned to the appropriate reserve(s). Non-profit groups may be able to utilize some units, or if the unit is unfit for reuse or resale, it will be disposed of appropriately. Delivery is approximately one hundred & ninety (190) calendar days from date of purchase order.

BUDGET IMPLICATIONS

Based on the RFP price of \$966,800.00 plus net HST of \$41,437.05 for a total project cost of \$1,008,237.05, funding is available in the approved 2010/11 Project Budget from Project Account CVD01087– Fleet Vehicle Replacement. The budget availability has been confirmed by Financial Services.

Budget Summary: **Project Account CVD01087– Fleet Vehicle Replacement**

Cumulative Unspent Budget	\$3,694,007.39
Less: RFP. No. 10 – 335	<u>\$1,008,237.05</u>
Uncommitted Budget	\$2,685,770.34

*This project was estimated in the Approved 2010/11 Project Budget at approximately \$1,000,000.00 (net HST included).

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

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

ALTERNATIVES

Council could choose one of the following alternatives:

- 1) Accept the bid from Joe Johnson Equipment. Staff recommend against this alternative because the bid is not compliant and ranked lower according to the point system for evaluation of the bids provided in the RFP.
- 2) Cancel the RFP and issue a new tender. Staff recommend against this because there is no legally justifiable basis not to make the award and this would create delays in the build and delivery of vehicles to replace aging equipment.
- 3) Not purchase the new vehicles and keep existing units in service. Staff recommend against this as it will keep existing units in service beyond their useful life resulting in a likely loss of productivity due to increased down time and maintenance costs.

ATTACHMENTS

Appendix – “A” - Proposal Evaluation Criteria

Council Report

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.

Report Prepared by: W.L. (Larry) Hilton, Coordinator Tech & Admin., Corporate Fleet (490-6832)

Corporate Fleet Review: Paul Beauchamp, Manager, Corporate Fleet & Equipment (490-6664)

Municipal Ops. Review: Peter Verge, Manager, Municipal Operations (490-4673)

Procurement Review: Anne Feist, Operations Manager, Procurement (490-4200)

Report Approved by: Ken Reashor, P.Eng., Director, Transportation and Public Works (490-4855)

Original Signed

Appendix “A”

Proposal Evaluation Criteria

RFP 10-335, Four (4) Vacuum/ Mechanical Street Sweepers

HALIFAX REGIONAL MUNICIPALITY			
Request for Proposals # 10-335			
Four (4) Vacuum/Mechanical Street Sweepers			
Criteria	MAX SCORE	SUBMISSION	
		Saunders Option “A”	Joe Johnson Option “A”
1 Technical: - Compliance with performance evaluation, body/structure/interior/doors, power train, suspension, steering, communication information system, electrical, HVAC, etc.	30	28	29
2 Miscellaneous: - Durability (product testing information) - Delivery - Testing	15	12.6	13.4
3 Operating: - Fuel economy - Environmental Impact	10	10	4
4 Sweeper Operation: -Workstation ergonomics, ease of operation, “driveability” and vehicle controls	15	12	9.3
5 Financial: Price per Sweeper	30	\$252,060 per sweeper (net HST included) 27	\$217,363 per sweeper (net HST included) 30
TOTAL	100	89.6*	85.7

*recommended proponent