

**Item No. 11.1.2**  
**Halifax Regional Council**  
**March 19, 2013**

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

**SUBMITTED BY:** Original signed  
Mike Labrecque, Acting Chief Administrative Officer

Original Signed

Ken Reashor, Director, Transportation and Public Works

**DATE:** February 28, 2013

**SUBJECT:** Award - RFP No. P12-123, Supply of up to Eighty (80) 12.2 Meter Transit Buses

**ORIGIN**

Regional Council's Pre-Approval of 2013/14 funding in Project Accounts CVD00434 and CVD00435 on September 25, 2012.

**LEGISLATIVE AUTHORITY**

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes. Administrative Order No. 35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for tenders and RFP's.

The following report conforms to the above Policy and Charter.

Halifax Regional Municipality Council approved, December 11, 2012 that all budget increases, including unbudgeted reserve withdrawals, are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Given the need to proceed with the purchase of the buses to meet the expanded service for the Woodside Ferry schedule, this is being forwarded directly to Council.

**RECOMMENDATION**

It is recommended that Halifax Regional Council:

- 1) Award RFP No. P12-123, Supply of up to eighty (80) 12.2 Meter Transit Buses, to the highest scoring proponent, New Flyer Industries.

**RECOMMENDATION CONTINUED ON PAGE 2**

- 2) Authorize the purchase of twenty-two (22) 12.2 Meter Transit Buses, for a Total Price of \$9,324,507.50 (net HST included) with funding from CVD00434 (Conventional Transit Bus Expansion) and CVD00435 (Conventional Transit Bus Replacement), as outlined in the Financial Implications section of this report.
- 3) Increase Project budget CVD00435 - Conventional Transit Bus Replacement by \$1,148,969.00 with a corresponding decrease and funding from Project Account No. CVD00434 - Conventional Transit Bus Expansion.

## **BACKGROUND**

On September 25, 2013, Halifax Regional Council pre-approved funding from the 2013/14 Project Budget to purchase nineteen (19) Transit Buses. Subsequently, it has been confirmed that there is sufficient residual funding available from project account 2012/13 to purchase an additional three (3) replacement buses. This will allow for the purchase of twenty-two (22) units.

A detailed plan for the use of these buses would be brought forward for Regional Council's consideration as part of the 2013/14 Annual Service Plan and Budget. At present, staff expects the use of the buses will be generally as shown in the following table.

<b>Planned Use of 12.2 Meter Transit Buses in 2013/14*</b>	
<b>High Level Use</b>	<b>Number of Buses</b>
Service Maintenance for Existing Routes	5
New Feeder Services for Expanded Woodside Ferry Service	4
Fleet Replacement	13
<b>Total</b>	<b>22</b>

\*Preliminary only, subject to 2013-14 Annual Service Plan and Budget.

## **DISCUSSION**

Request for Proposals No. P12-123 was called and posted to the Province of Nova Scotia's Procurement website on November 26, 2012 and closed on January 15, 2013. It called for the supply of up to eighty (80) 12.2 metre Transit Buses over a three (3) year period.

Submissions were received from the following two proponents:

- 1/ **New Flyer Industries**
- 2/ **Nova Bus Ltd.**

The proposal submissions were evaluated by staff from Corporate Fleet and Equipment, Metro Transit, and facilitated by Procurement. Proposals were evaluated in five key areas: (1) Technical, (2) Durability, (3) Operating (Fuel Economy), (4) Bus Operations and (5) Costs.

The RFP was evaluated using a two envelope process. Envelope one was the technical component of the RFP. Envelope two consisted of the lump sum project cost for this project. Only those proponents that received 75% or better on the Technical Submission (52.5 points out of a maximum score of 70 points) from envelope one, had their cost envelopes opened and evaluated.

**Award - RFP No. P12-123, Supply of  
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After completion of the envelope one process, the submissions from both proponents met the required 75% on the Technical Submission, as per the Terms and Conditions of the RFP, and had their cost envelope opened.

Please refer to Appendix A which provides a scoring summary and overall pricing detail for the proposals, with the New Flyer Industries proposal receiving the highest overall score. New Flyer Industries scored higher in the warranties that are being offered, as well as in the areas of operator ergonomics, seating arrangement, standing load capacities and weight tolerances. Therefore, staff is recommending award of the agreement to New Flyer Industries.

The final scoring was as follows:

<u>Proponent</u>	<u>Scoring (Max 100)</u>
New Flyer Industries	99.7
Nova Bus Ltd.	96

**FINANCIAL IMPLICATIONS**

Funding is required for the capital purchase of twenty-two (22) 12.2 Meter Buses. Funding from 2013/14 was pre-approved by Halifax Regional Council on September 25, 2012.

The first-year price per unit is \$406,422.00 plus net HST of \$17,419.25 for a total of \$423,841.25 (net HST included) per unit. Total cost for the supply of the twenty-two (22) units under the first year of the agreement is \$9,324,507.50 (net HST included).

Funding is available from Project Account No's. CVD00434 (Conventional Transit Bus Expansion) and CVD00435 (Conventional Transit Bus Replacement).

The budget availability has been confirmed by Finance.

**Budget Summary: Project Account No. CVD00434 - Conventional Transit Bus Expansion**

Cumulative Unspent Budget	\$5,232,326.79
Less Transfer to CVD00435	\$1,148,969.00
<b>Less: RFP No. 12-123 (9 Coaches)</b>	<b><u>\$3,814,571.25</u></b>
Balance	\$ 268,786.54

**Project Account No. CVD00435 - Conventional Transit Bus Replacement**

Cumulative Unspent Budget	\$4,749,214.31
Add Transfer from CVD00434	\$1,148,969.00
<b>Less: RFP No. 12-123 (13 Coaches)</b>	<b><u>\$5,509,936.25</u></b>
Balance	\$ 388,247.06

The balance of funds will be used for bus/facility fit-up (on-board technology, specialized maintenance equipment etc.).

The bus purchase in years 2 and 3 of the contract will be contingent on Council's approval of the Capital Projects in those budget years.

**ENVIRONMENTAL IMPLICATIONS**

The purchase of buses for expansion will provide an opportunity to reduce greenhouse gas emissions through a reduction in single occupant vehicle trips.

The purchase of buses for fleet replacement will reduce overall vehicle emissions as newer buses produce approximately 1/60<sup>th</sup> of the greenhouse gas emissions of the buses they will replace.

**ALTERNATIVES**

Regional Council could decide not to approve the RFP and subsequent purchase of 12.2 meter transit buses. This is not recommended as it would cancel the implementation of new services, including those supporting the launch of expanded Woodside Ferry service. Also, it would cancel the replacement of older transit buses which are less economical to operate/maintain, and are not accessible for those persons using mobility devices.

**ATTACHMENTS**

Appendix A – Scoring Summary and Pricing Detail

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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: W.L. (Larry) Hilton, Coordinator Tech. & Admin. Services - Corporate Fleet & Equipment

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Corporate Fleet Review:

Paul Beauchamp, Manager, Corporate Fleet & Equipment, 490-6604

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Metro Transit Review:

Eddie Robar, Director, Metro Transit, 490-6720

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Procurement Review:

for Anne Feist, Manager, Procurement (490-4200)

**Original Signed**

Report Approved by:

Ken Reashor, P.Eng. Director Transportation and Public Works

Appendix A

Scoring Summary and Pricing Detail

Halifax Regional Municipality  
Request for Proposals No. P12-123  
Supply of up to Eighty (80) 12.2 Meter Transit Buses

Criteria	Max Score	Submission	
		New Flyer*	Nova Bus
1. <b>Technical</b> - Compliance with performance evaluation, body/structure/interior/doors, power train, suspension, steering, communication information system, electrical, HVAC, etc.	30	30	30
2. <b>Durability</b> - Altoona and other product testing information	15	15	13
3. <b>Operating</b> – Fuel Economy	10	10	10
4. <b>Bus Operation</b> - Work station ergonomics, ease of operation, driveability and vehicle controls	15	15	13
<b>Subtotal</b>	70	70	66
5. <b>Cost</b>	30	29.7	30
<b>3 Year Total Cost (net HST Included) for Evaluation Purposes</b>		\$34,767,346.40	\$34,401,083.54
<b>Total</b>	100	99.7*	96

\*recommended proponent