

BACKGROUND

A staff report dated October 16, 2015 pertaining to Access-A-Bus Procurement was before the Audit & Finance Standing Committee at its meeting held on October 21, 2015.

For further information please refer to the attached staff report dated October 16, 2015.

DISCUSSION

The Audit & Finance Standing Committee reviewed the staff report dated October 16, 2015 at its meeting held on October 21, 2015 and forwarded the recommendation to Halifax Regional Council as outlined in this report.

FINANCIAL IMPLICATIONS

As outlined in the attached staff report dated October 16, 2015.

COMMUNITY ENGAGEMENT

All meetings of the Audit & Finance Standing Committee are open to the public. The agenda and reports are provided online in advance of the meeting.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

The Audit & Finance Standing Committee did not discuss alternatives.

ATTACHMENTS

1. Staff report dated October 16, 2015.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 9.1.3
Audit & Finance Standing Committee
October 21, 2015

TO: Chair and Members of Audit & Finance Standing Committee
Original Signed

SUBMITTED BY: Richard Butts, Chief Administrative Officer
Original Signed

Eddie Robar, Director Halifax Transit

DATE: October 16, 2015

SUBJECT: Access-A- Bus Procurement

ORIGIN

RFP 14-102 Para Transit Buses (attachment 1) Awarded at Regional Council August 5, 2014

LEGISLATIVE AUTHORITY

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

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79(1) - Specifies areas that the Council may expend money required by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Reserve Policy - No reserve funds will be expended without the CAO's recommendation and Council approval.

RECOMMENDATION

It is recommended that the Audit & Finance Standing Committee recommend Regional Council to approve advanced capital funding for the procurement of seven (7) Para-Transit Vehicles from Overland Customer Couch (2007) Ltd. for a total amount of \$730,000 net HST included, project number CVD00430 - Access-A-Bus Replacement.

BACKGROUND

Overland Custom Coach Ltd. was awarded a three (3) year contract to provide up to twenty-five para-transit vehicles at the August 5, 2014 session of Regional Council. Six (6) Para-transit vehicles were received in March 2015 constituting the year one procurement and twelve (12) vehicles are on order with an anticipated delivery date of February 2016, completing year two of the contract. One year of the contract remains until the term is fulfilled for the seven (7) remaining vehicles.

DISCUSSION

Halifax Transit currently operates diesel engines in its para-transit fleet. Diesel engines have an extended lifecycle compared to that of gasoline; have fewer electrical issues from a compression ignition design; have lower maintenance costs; and have more power and better fuel economy - on average, diesel engines are rated about 25% more fuel efficient than similarly sized and power rated gasoline engines. A diesel engine is designed to last longer and drive longer without repair.

Access-A-Bus (AAB) vehicles can be loaded with up to four (4) para-transit passengers with power carts (motorized wheelchairs) equating to almost 3200 lbs. of payload; the diesel option with higher power output and better fuel economy is almost a requirement.

Halifax Transit has been told by its supplier, Overland Custom Coach, (no formal communication has been provided by General Motors (GM) to Halifax Transit), that GM Canada has issued a notification of the intention to halt production of the diesel engines. Metrolinx in Ontario has formally advised all of its stakeholders in each municipality, requiring GM diesel chassis, to place orders as soon as possible; based on the industry-wide effects of GM discontinuing the 6.6L Duramax engine, effective 2016 model year. This engine, 6.6L Duramax (of which the entire fleet of Access-A-Buses is using) is being discontinued as early as this model year; the United States manufacturer is urging to have orders placed prior to December 2015. Historically, when GM says December, it is likely they would cut off even sooner. Duramax orders are on a first-come, first-serve basis while supplies last and GM has offered no indications of quantity for supply.

If Halifax Transit cannot get an order in with our supplier for this chassis/engine combination, the only other alternative is a large displacement gasoline engine. The implications of having to use a gasoline engine include: additional fuel costs; additional cost associated with parts acquisition, that are currently not stocked, and additional the cost associated with the provision of training for technicians that currently do not work on gasoline engines. In addition, some personnel would be required to work off-site every evening to fuel the gasoline vehicles as Halifax Transit only stores diesel on site. The implication of this is the interruption of the fueling and cleaning routine for the entire fleet; it is likely that service time would increase from 12 minutes per vehicle escalating requirement for additional personnel.

The costs associated moving to a gasoline engine at this juncture are prohibitive and will require further study; as the implications of diesel engines being eliminated for these types of vehicles will have broader implications to the total cost of the provision of the Access-A- Bus service. Therefore Halifax Transit is recommending that the third year of the contract with Overland be expedited.

FINANCIAL IMPLICATIONS

Due to forecasted cost and logistical implications outlined above, advanced capital funding is requested in the amount of \$730,000 for project number CVD00430, Access-A-Bus Replacement. The unit cost per vehicle is \$104,285 each (including HST). The net total cost of seven (7) vehicles is \$730,000. Since this is related to asset replacement, there will be no additional impacts to the 16/17 operating budget. This will be reflected in the 16/17 proposed project budget.

Budget Summary:

Project Account No. CVD00430 - Access-A-Bus Replacement

Cumulative Unspent Budget	\$ 50,000
Add: 16/17 Advanced Budget	<u>\$730,000</u>
Balance	\$780,000

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

There are no other alternatives that meet our requirement of a diesel cut-a-way chassis that do not use a Duramax 6.6L engine.

ATTACHMENTS

Attachment 1 – Award Report RFP 14-102 Para Transit Buses

A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: William Cutler Quality Analyst – Asset Stewardship & Safety 902.490.6707

Original Signed

Report Approved by:

Wendy Lines, Manager Bus Maintenance, Halifax Transit 902.490.3241
Original Signed

Report Approved by.

Glen Bannon, Manager Transit Operations, Halifax Transit 902.490.1505
Original Signed

Financial Approval by:

Amanda Whitewood, Director of Finance and Information Technology/CFO, 902.490.6308

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Attachment 1
Halifax Regional Council
August 5, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by

Mike Labrecque, Acting Chief Administrative Officer

Original Signed

Eddie Robar, Director, Halifax Transit

DATE: July 17, 2014

SUBJECT: Award - RFP No. P14-102, Supply of up to Twenty Five (25) Para-Transit Buses

ORIGIN

This report originates from the annual vehicle expansion and replacement plan for Halifax Transit and Regional Council's approved capital budgets.

On December 11, 2013, Halifax Regional Council pre-approved funding from the 2014/15 Project Budget to purchase four (4) replacement Para-Transit Buses, subject to Halifax Transit's 2014/15 Annual Service Plan and Budget.

On Jan 8, 2014, Halifax Regional Council Committee of the Whole, Halifax Transit's 2014/15 Service Plan was presented with the service adjustment for two (2) expansion Para-Transit Buses. On April 1, 2014, Halifax Regional Council approved the 2014/15 Budget.

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.

RECOMMENDATION ON NEXT PAGE

RECOMMENDATION

It is recommended that Halifax Regional Council:

- 1) Award RFP No. P14-102, Supply of up to twenty five (25) Para-Transit Buses, to the highest scoring proponent, Overland Custom Coach (2007) Inc. for a total value of \$2,460,018.10, net HST included, over a three year period.
- 2) Authorize the purchase of two (2) Para-Transit expansion buses and four (4) Para-Transit replacement buses for fiscal year 2014/15, for a Total Price of \$576,472.14 (net HST included) with funding from CVD00429 (Access-A-Bus Vehicle) and CVD00430 (Access-A-Bus Replacement) as outlined in the Financial Implications section of this report.

BACKGROUND

The current Access-A-Bus fleet total is (34) vehicles with (26) vehicles required on a daily basis to meet service commitments. The remaining (8) vehicles are used as spare vehicles to allow for on-going preventative maintenance and to ensure service reliability in the event of in-service vehicle failures.

The fleet replacement plan allows for the replacement of these vehicles every (5) years. This style of bus is classified as medium duty and will not perform reliably if kept in the fleet longer than the scheduled (5) years. In order to maintain consistency in the style and components of the buses, proposals are issued for purchases over the span of (3) years. A 3-year procurement strategy creates efficiencies in stocking of vehicle parts, standardized mechanic training, consistent passenger seat placement as well as familiarity with vehicle handling and control for bus operators.

The current Access-A-Bus Strategic Plan recommends the replacement of 10 buses from 2011 to 2015; a detailed plan for the use of additional buses will be brought forward for Regional Council's consideration as part of the 2015/16 Annual Service Plan and Budget. At present, staff expects the use of the buses will be generally as shown in the following table.

Planned Use of Para-Transit Buses			
Fiscal Year	Replacement	Expansion	Total
2014/2015	4	2	6
2015/2016	10	2	12
2016/2017	7	0	7

The demand for Access-A-Bus service has continually increased over the last number of years. In order to meet this increasing demand, and to match the service provision area of Conventional and Community Transit it is anticipated that service expansion will be required. Targets established in the 2010 Access-A-Bus strategic plan have been well exceeded and there have been an increased percentage of new applicants and wait listed passengers. A revised Access-A-Bus outlook will be brought forward with the 2015/16 Halifax Transit Service Plan for Council's approval.

Access-A-Bus Passenger Counts						
	Category	2013 Passenger Requests	2014 Passenger Requests	Variance	% Increase	% Decrease
1	Service Demand – Not Accommodated (Wait List)	3,039	4,083	1,044	34.35 %	-
2	Additional Service Demands – Accommodated with Existing Fleet	77,751	79,834	2,083	3 %	-
3	Applications - New	290	356	66	23 %	-
4	Applications - Renewal	155	177	22	14.19 %	-

DISCUSSION

Request for Proposals No. 14-102 was called and posted to the Province of Nova Scotia's Procurement website and closed on April 24, 2014. It called for the supply of up to twenty-five (25) Para-Transit Buses over a three (3) year period.

Submissions were received from the following 4 proponents:

- 1/ A. Girardin Inc.
- 2/ Overland Custom Coach (2007) Inc.
- 3/Crestline Coach Ltd.– El Dorado
- 4/Crestline Coach Ltd.- Goshen

The proposal submissions were evaluated by staff from Halifax 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) Cost.

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.

After completion of the envelope one process, the submissions from all 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 Overland Custom Coach (2007) Inc. proposal receiving the highest overall score. Overland Coach scored higher in the compliance to the technical requirements, as well as in the areas of fuel economy, seating arrangement, and warranty. Therefore, staff is recommending award of the agreement to Overland Custom Coach (2007) Inc.

The final scores are as follows:

Proponent	Scoring (Max 100)
Overland Custom Coach (2007) Inc.	97.03
Crestline – Goshen	95.34
Crestline – El Dorado	94.99
Girardin	88.81

FINANCIAL IMPLICATIONS

The first-year price per unit is \$92,130.00 plus net HST of \$3,948.69 for a total of \$96,078.69 (net HST included) per unit. Total cost for the supply of the six (6) units under the first year of the agreement is \$576,472.14 (net HST included).

Funding is available from Project Accounts No's CVD00430 (Access A-Bus Replacement) and CVD00429 (Access-A-Bus Vehicle)

The budget availability has been confirmed by Finance.

Budget Summary: Project Account No. CVD00430 – Access A-Bus Replacement

Cumulative Unspent Budget	\$ 463,232.97
Less: RFP No. 14-102 (4 Access-A Buses)	\$ <u>384,314.76</u>
Balance	\$ 78,918.21

Budget Summary: Project Account No. CVD00429– Access A-Bus Vehicle

Cumulative Unspent Budget	\$ 337,333.84
Less: RFP No. 14-102 (2 Access-A Buses)	\$ <u>192,157.38</u>
Balance	\$ 145,176.46

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 generally produce less greenhouse gas emissions than the buses they will replace and Overland Coach's proposed buses are very fuel efficient.

ALTERNATIVES

Regional Council could decide not to approve the RFP and subsequent purchase of para-transit buses. This is not recommended as it would decrease the reliability of services since four (4) vehicles are at a replacement age. Also, it would require maintenance of older transit buses which are less economical to operate/maintain. The two (2) expansion buses will assist Halifax Transit to meet the increased demand for Access-A-Bus service, reduce the wait time for the new and existing applicants.

ATTACHMENT

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: _____
Jacqueline Niklas, Quality Analyst, Bus Maintenance, Halifax Transit
(490-8669)

Bus Maintenance Review _____
Wendy Lines Bus Maintenance Manager, Halifax Transit (490-3241)

Bus Services Review: _____
Ahmad Kidwai, Manager Accessible Transit, Halifax Transit (490-1499)

Halifax Transit Review: _____
Glen Bannon, Manager, Bus Operations, Halifax Transit (490-1505)

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

Appendix A – Scoring Summary and Pricing Detail

Evaluation for RFP P14-102						
	Summary (considerations may include but are not limited to the following)	Max Score	Vendor			
			Girardin	Overland	Crestline - El Dorado	Crestline - Goshen
Evaluator			Average	Average	Average	Average
1. Technical	<ul style="list-style-type: none"> Compliance with performance evaluation, body/structure/interior/doors, power train, suspension, steering, communication information system, electrical, HVAC, etc 	30	26.33	29.67	28.67	27.67
2. Durability	<ul style="list-style-type: none"> Altoona and other product testing information 	15	14.00	14.33	14.67	14.00
3. Operating	<ul style="list-style-type: none"> Fuel Economy 	10	8.33	10.00	7.67	9.00
4. Bus Operation	<ul style="list-style-type: none"> Work station ergonomics, ease of operation, driveability and vehicle controls 	15	14.00	14.67	14.67	14.67
Subtotal (Technical Proposal)			62.66	68.67	65.68	65.34
Cost - 3 Year Total Cost (net HST Included) for Evaluation Purposes		30	\$ 2,632,373.61	\$2,460,018.10	\$ 2,386,209.68	\$ 2,332,846.53
Administrative and Legal Requirements	<ul style="list-style-type: none"> Based on level of risk identified in Stage 2 technical evaluation. 	BUT POINTS MAY BE DEDUCTED				
		100	88.81	97.03	94.99	95.34