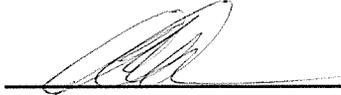

Halifax Regional Council
September 17, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer

DATE: September 10, 2002

SUBJECT: Purchase of Forty Foot Transit Buses

ORIGIN

Approved award of RFP 0-077, Fleet - 40 Foot Transit Buses and Approved Capital Budgets 2000/01, 2001/02, 2002/03 and Approved Operating Budget, Fiscal Services 2002/03.

RECOMMENDATION

It is recommended that Council authorize staff to increase the order of 30 buses to 32 buses from New Flyer in accordance with the terms and conditions of Price Agreement set forth by RFP 00-077 to match the number awarded by Council with the number of buses included in successive budgets.

BACKGROUND

On March 20, 2001, Council approved the award of RFP 00-077, a three year purchase agreement for the supply of up to thirty (30) Forty foot transit buses to New Flyer Industries Limited. The award envisioned the purchase of ten buses each year for three years with established unit prices for each year, however, there were only confirmed capital funds for the first year (2000/01) for the purchase of 7 buses. Successive purchases were to be contingent upon Council approving funds through the Capital Budget process for the 2001/2002 and 2002/03 fiscal years.

The capital budget process for 2001/2002 provided sufficient funds to purchase an additional 10 buses for a total of 17 buses for the 2000-2002 budget period.

As a result of 2002/2003 Capital Budget discussions, Council approved the funding for an additional 15 buses. Council also reallocated the funds previously allotted in prior years for the funding of 17 buses for other uses and included sufficient funds in the 2002/03 Operating Budget for Fiscal Services to provide for the annual lease payments for 17 buses.

Staff supported the funding of these 17 buses by lease arrangement for the following reasons:

- a. a lease would allow the purchase to be funded from the operating budget not the capital budget;
- b. a lease would allow for the ability to return the buses in 5 years if the increase in service was unfounded (one of the 17 units was a bus that expanded the existing fleet);
- c. a lease would allow HRM to take advantage of new technology and increase service to our customers; and
- d. the costs of a lease appeared to be marginally higher than that of a purchase and provided HRM far more flexibility.

DISCUSSION

Staff is now seeking authorization from Council to order an additional 2 buses from New Flyer. It is the opinion of staff that Council approval is required because Council approved 30 buses only. New Flyer has agreed to extend the award price to these 2 additional buses.

It is necessary to place an order with New Flyer now to facilitate the delivery of all 32 buses by mid February 2003 with the first delivery of 10 buses by the end of 2002.

Staff is now preparing the terms of reference of an RFP for the provider of the third party leasing of these buses for issuance late September. Staff will return to Council for award of this RFP in late Fall with the terms and conditions of the proposed leasing arrangement. This award will be required for staff to secure Ministerial Approval as stipulated under Section 88-4 of the Municipal Government Act for all leases that extend beyond the end of the current fiscal year in excess of \$100,000.00.

BUDGET IMPLICATIONS

Based on the unit prices of the original price agreement with New Flyer, the 2 additional buses have a purchase price of \$777,614.00 plus HST.

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 to this course of action.

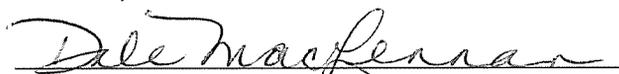
ATTACHMENTS

Council Report - Award RFP 00-077, Fleet - 40 Foot Transit Buses (6 March 2000)

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

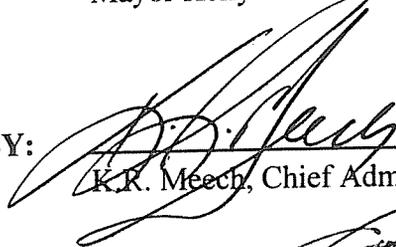
Report Approved by:


S. Dale MacLennan, Director, Financial Services

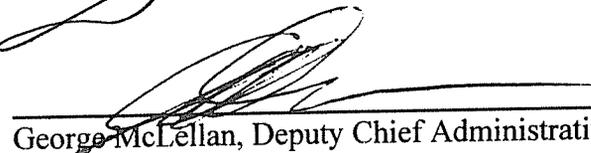
Halifax Regional Council
March 20, 2001

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



K.R. Meech, Chief Administrative Officer



George McLellan, Deputy Chief Administrative Officer

DATE: 6 March 2001

SUBJECT: Award RFP 00-077, Fleet - 40 Foot Transit Buses

ORIGIN

Approved Capital Budget Program for 2000/2001 and Proposed Capital Budget 2001-2002 and 2002/2003 - Transit Bus Replacement.

RECOMMENDATION

It is recommended that :

Regional Council authorize the award RFP 00-077, a three year purchase agreement for the supply of up to thirty (30) Forty- foot transit buses to New Flyer Industries Limited.

The total award is for \$ 11,419,460.00 plus taxes and contingency. New Flyer Industries Limited is recommended as the highest scoring proponent.

This award covers budget years 2000-2001, 2001-2002 and 2002-2003 and is contingent on Council approving funds through the Capital Budget process for each of the stated 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.

DISCUSSION

A Request for Proposals was issued for the supply of up to thirty (30) Forty Foot Transit Buses over three (3) years to operate over routes in the HRM, Transit Division service and surrounding area. The Request for Proposals was advertised on July 14, 2000 and closed on December 12, 2000.

The following firms submitted proposals:

- New Flyer Industries
- Nova Bus
- Orion Bus Industries
- Perry Rand Limited.

The proposals were evaluated based on the criteria as detailed in attached Attachment "A". The proposal from Perry Rand Limited was non compliant with the mandatory requirements of the RFP and therefore did not qualify for the subsequent scoring portion of the evaluation. The scores and corresponding fee proposals for the compliant proposals from the three firms were as follows:

Firm	Cumulative Score	Financial Proposal (excl. HST)
New Flyer Industries	91	Year 2 \$ 376,455.00 per unit Year 3 \$ 389,036.00 per unit ** Overall Total Price (30 units) \$11,419,460.00
Orion Bus Industries	72	Year 1 \$ 373,976.00 per unit Year 2 \$ 383,756.00 per unit Year 3 \$ 383,756.00 per unit Overall Total Price (30 units) \$11,140,290.00
Nova Bus	70	Year 1 \$ 360,026.00 per unit Year 2 \$ 371,231.00 per unit Year 3 \$ 382,772.00 per unit Overall Total Price (30 units) \$11,414,880.00

** The price proposal was based on a two year agreement commencing in Year 2 (2001-2002). The unit price for Year 3 (2002-2003) is to be calculated effective the date of purchase order issuance based on a Producer Price Index for Buses and Bus Chassis. Based on past performance, the total price shown is the maximum price to be paid using this index. The price bid by New Flyer could be as low as \$11,293,650.00 if the Producer Price Index is favourable.

The proposal evaluation team was comprised of staff from Fleet Services and Transit Services. The evaluation process was facilitated by Procurement.

Due to the initial purchase costs, the long operating life, and the maintenance costs of these vehicles over this long life, the proposals were evaluated using the following criteria:

- ◆ financial
- ◆ technical
- ◆ vendor support

The review of the proposals from an operational and maintenance perspective identified that New Flyer provides the best overall proposal to the Halifax Regional Municipality as reflected by the scores above (see criteria in Attachment "A").

It is therefore recommended that New Flyer Industries Limited be awarded the contract.

BUDGET IMPLICATIONS

Funds in the amount of \$2,635,185.00 plus applicable taxes and a contingency, totalling \$2,944,831.01, for the first order of seven buses are available in Capital Account #CVA 00974, Transit Bus Replacement. (GROSS BUDGET \$3,000,000). The contingency of 5% is for any changes that must take place during final assembly of the vehicles either to comply with the most recent requirement of Utility and Review Board regulations or to comply with changes in Transit Operation requirements.

This award covers budget years 2000-2001, 2001-2002 and 2002-2003 and is contingent on Council approving funds through the Capital Budget process for each of the stated years.

MULTI-YEAR FINANCIAL IMPLICATIONS

This is in keeping with the Multi-Year Financial Strategy.

ALTERNATIVES

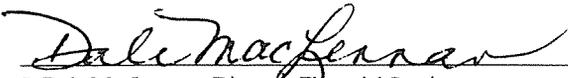
There are no recommended alternatives to this course of action.

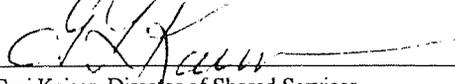
ATTACHMENTS

Attachment "A" - Proposal Evaluation Criteria

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, General Manager, Fleet Services 490-6604

Report Approved by: 
S. Dale MacLennan, Director, Financial Services 490-6308


Geri Kaiser, Director of Shared Services 490-4630

ATTACHMENT "A"

Immediate Pass/Fail

The following items are required to be evaluated:

- ◆ Completed bid package in accordance with Section 1.7 Bid Package
- ◆ Compliance with all requirements throughout Sections 1 to 1V.

Each Proposal will be evaluated according to the information included in its submission and against the following criteria, provided the immediate pass requirements are met.

PROPOSAL EVALUATION CRITERIA

Criteria	Weight	Score
1. Financial: Overall cost including price per bus, inventory, training, tooling, delivery, maintenance, operating costs and benefits accruing due to other factors.	40	
2. Technical: Compliance with requirements and preferences in specifications.	30	
3. Vendor Support: Sales, service, warranty, documentation, parts availability, number of units sold, industry reputation.	30	
4. Total:	100	