Minutes - Executive Policy Committee – February 16, 2005

Minute No. 170
Report - Standing Policy Committee on Public Works – February 15, 2005

Item No. 1 Award of Contract - Lease of Street Sweepers
File GL-9

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submits the following to Council:

1. That the bid from Fort Garry Industries be determined to be non-responsive.

2. That the bid from Toromont CAT Lift be determined to be non-responsive.

3. That a Contract be entered into with Cubex Limited for the lease of Street Sweepers as per Detailed Specifications 04040, at a total cost in the amount of $1,133,440.00 (MRST & GST extra).

4. That the Manager of Materials be authorized to issue a Purchase Order accordingly.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes - Executive Policy Committee – February 16, 2005

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DECISION MAKING HISTORY:

Moved by Councillor Eadie,

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, may also be considered by Committee at this time.

Carried

Moved by Councillor Eadie,

That the recommendation of the Standing Policy Committee on Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On February 15, 2005, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: AWARD OF BID OPPORTUNITY 555-2004 – LEASE OF STREET SWEEPERS

FOR SUBMISSION TO: STANDING POLICY COMMITTEE ON PUBLIC WORKS

ORIGINAL REPORT SIGNED BY: Y. Lupien *MBA, MPA, MCIT,* Chief Operating Officer, Fleet Management Agency

REPORT DATE: February 14, 2005

RECOMMENDATION(S):

1. That the bid from Fort Garry Industries be determined to be non-responsive.

2. That the bid from Toromont CAT Lift be determined to be non-responsive.

3. That a Contract be entered into with **Cubex Limited, 1218 Redonda Street, Box 13, Group 524, R.R. 5, Winnipeg, Manitoba, R2C 2Z2**, for the lease of Street Sweepers as per Detailed Specifications 04040, at a total cost in the amount of $1,133,440.00 (MRST & GST extra).

4. That the Manager of Materials be authorized to issue a Purchase Order accordingly.

REPORT SUMMARY:

Key Issues:

- Renewal of long-term lease of street sweepers.

Implications of the Recommendation(s):

General Implications:

[ ]	None
[ ]	For the organization overall and/or other departments
[ ]	For the community and/or organizations external to the City
[X]	Involves a multi-year contract

Comments: None

Policy Implications:

[X] No
[ ] Yes
Comments: None

Environmental Implications:
[X] No
[ ] Yes
Comments: None

Human Resource Implications:
[X] No
[ ] Yes
Comments: None

Financial Implications:
[X] Within approved current and/or capital budget
[ ] Current and/or capital budget adjustment needed
Comment: The proposed contract will be a commitment on future budgets.

REASON FOR THE REPORT:

Although the Contract amount does not exceed 2,000,000, it does create a firm commitment by the City for 5 years. Only Council can approve an award of Contract where the contract commits funds from future year's budgets.

DISCUSSION:

The Bid Opportunity closed on January 17, 2005. The requirements for Bid and Performance Securities, and the execution of formal contracts were waived for this lease in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Directive FM-002. The Bid Submission documents pertaining to the recommended Bidder is in order. The bids are open for acceptance until April 17, 2005.

Three (3) suppliers submitted bids in this Bid Opportunity. As stated in Section B13.7 of the Bidding Procedures, the contract will be awarded as a whole.

There were two (2) bid advantages applied in this contract. First, Section 3.1 of the Detailed Specifications stated that "Manufacturer's of street sweepers having a minimum of three (3) years continuous experience manufacturing street sweeping equipment of the types being offered are preferred. A 1% Bid Advantage for each year of manufacture (up to 3%) will be offered as an indication of equipment performance and reliability." Secondly, a 5% bid advantage was applied to Item 1 where front-dumping hopper design machines were bid. The bid advantages were applied, however, they did not change the pricing order or ranking of the bids.

Fort Garry Industries Ltd. submitted the low bid in this Bid Opportunity, however it is recommended that its bid be determined to be non-responsive because its bid was conditional.. Fort Garry Industries Ltd. submitted a letter with their bid stating that an FL80 conventional cab chassis will be offered during the first four months of the contract .The specifications called for a cab-over type chassis for increased operator visibility and maneuverability (Section 12.1). A conventional cab has an out-front hood and engine that decreases visibility and maneuverability. The conventional cab was not specified and is not acceptable. In addition. the specifications called for the Contractor to have a minimum of five (5) years continuous experience servicing, repairing and maintaining street sweeping equipment of the types being offered (Section 3.3). Fort Garry Industries Ltd. has sold machines within the specified period, however, the machines were not serviced or repaired at Fort Garry Industries Ltd. on a continuous basis. Furthermore, the machine bid in Item 2 (6-wheeled sweeper) has never been sold or serviced by Fort Garry Industries Ltd. It should be noted that servicing and repairing of the equipment is an integral part of this Bid Opportunity as this is a full maintenance and service contract. Further, in reviewing the bid with Fort Garry Industries Ltd. it was determined that their machine bid for Item 1 (3-wheeled sweeper) does not meet specifications on Section 8.8.4 Seats. The specifications called for dual

bucket seats, cloth or vinyl upholstery with armrests, air or mechanical suspension, seat belts with lap and shoulder harnesses. It should be noted that two identical suspension seats with armrests and shoulder harnesses were specified due to operator training purposes. Fort Garry Industries Ltd. has confirmed that the second seat is a small jump seat that does not include armrests, suspension or a shoulder harness and therefore, does not meet specifications. Fourthly, the specifications called for the hopper dump height to be variable in height. The machine bid from Fort Garry Industries Ltd. has a fixed dumping height that does not meet specifications. The bid from Fort Garry Industries Ltd. does not meet specifications in a significant manner and would not have been recommended for acceptance even if responsive.

Cubex Limited submitted the second low bid and the equipment bid meets specifications. The Fleet Management Agency has reviewed the bid with a representative of Cubex Limited and is of the opinion that they are capable of performing the work and supplying the equipment in accordance with the requirements of the specifications. It is recommended that this Bid Opportunity be awarded to Cubex Limited.

The price breakdown is as follows:

Item 1:	
Lease of four (4) 3-Wheeled Street Sweepers as per Detailed Spec. 04040 for 35 months @ $4597.00/mo. each.	$ 643,580.00
Item 2:	
Lease of two (2) 6-Wheeled Street Sweepers as per Detailed Spec. 04040 for 35 months @ $6998.00/mo. each.	$ 489,860.00
Total	**$1,133,440.00**

It should be noted that, under this Contract, the City has the option to extend the lease for a further 14-months on the same terms and conditions.

Further to recommendation 1 of this report, it is recommended that the bid from Toromont CAT Lift be determined as “non-responsive” in accordance with B14.2 because the Bidder stated a delivery/completion time that conflicts with that required in D9.1 Delivery. The bid from Toromont CAT Lift also does not meet specifications because it includes a “Planned Maintenance Agreement” with Time and Material (i.e., parts, labour and maintenance) over and above the lease rate. Due to this condition, the bid does not meet specifications in numerous areas, specifically the areas that describe the requirements of the Full-Maintenance Lease. In addition, the machine bid for Item 1 does not meet specifications in design and configuration. A list of deviations is listed on the Bid Summary Table. Further to Section B13.2 of the Bidding Instructions “the Award Authority may reject a Bid as being non-responsive if the Bid Submission is

incomplete, obscure or conditional, or contains additions, deletions, alterations or other irregularities. The Award Authority may reject all or any part of any Bid, or waive technical requirements if the interests of the City so require." The bid from Toromont CAT Lift should be deemed non-responsive since their Bid Submission contains several conditions, alterations and irregularities in a significant aspect.

Sufficient funding for the Lease of Street Sweepers is available from account number 383-527010-189201. The total value of the lease over the specified period (including 7% MRST and 0% GST) is $1,212,780.80.

BID OPPORTUNITY 555-2004

BID SUMMARY

Note: Prices shown are total bid prices, not including taxes.
The recommended Bidder is highlighted in bold.

Items 1 and 2
Lease of Street Sweepers
(Spec. Ref. 04040)

FORT GARRY INDUSTRIES LTD. ..... $1,011,850.00[1]
CUBEX LIMITED $1,133,440.00
TOROMONT CAT LIFT ..... $1,481,092.20[2]

[1] Equipment does not meet specifications. Deviations are as follows:
- Bidder does not have a minimum of five (5) years continuous experience servicing, repairing and maintaining street sweeping equipment of the types being offered. (Spec. Ref. 3.3).
- Single seat with armrests, mechanical suspension and shoulder harness seat belt in lieu of identical dual seat configuration. (Spec. Ref. 8.8.4)
- Hopper dump height not "variable" height as specified. (Spec. Ref. 8.9.2).
- FL80 Conventional style cab & chassis bid for first 4-months of lease in lieu of specified cab over engine style with tilting cab. (Spec. Ref. 12.1).

[2] Recommendation that Bid is determined "Non-responsive". Conditions, alterations and deviations are as follows:
- Time & Materials bid (i.e., service, parts and labour extra) in lieu of specified full service and maintenance lease. (Spec. Ref. 1.1, 5.4, 5.5, 5.6, 5.7, 5.9, 5.12, 5.13.2).
- Countered Detailed Spec. Sections 5.14, 5.14.1, 5.15, 5.15.1, 5.17 which are mandatory requirements.
- 3-Wheeled sweeper (Item 1) does not meet specifications in design or configuration. Countered Detailed Spec. Sections 8.1, 8.2.4, 8.7.1, 8.8.5, 8.9.3, 8.10.2, 8.10.7, 8.11.2.

Financial Impact Statement

Date: January 31, 2005

Project Name: Lease of Street Sweepers

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ 242,557	$ 242,557	$ 242,557	$ 242,557	$ 242,557
Less: Existing Budgeted Costs	242,557	242,557	242,557	242,557	242,557
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Approval for funding for 2005 to 2009 is required by Council. The total value of the lease over the specified period (including 7% MRST and 0% GST) is $1,212,780.80.

original signed by Cheryl Turman CA

Supervisor of Finance and Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:

Corporate Services, Legal Services Division
Corporate Finance, Materials Management Branch

THIS REPORT SUBMITTED BY:

Department:	Public Works	
Division:	Fleet Management Agency	
Prepared by:	Eugene Romaniuk	986-4181
Processed by:	Shirley Thompson	986-5346
File No.:	555-2004 Report3	