

NO: R128

COUNCIL DATE: June 11, 2018

---

## REGULAR COUNCIL

**TO: Mayor & Council** **DATE: June 7, 2018**

**FROM: General Manager, Engineering** **FILE: 2320-20 (Backhoes)**

**SUBJECT: Award of Contract RFQ 1220-040-2018-015  
for the Supply of Four Backhoes and Attachments**

---

## RECOMMENDATION

The Engineering Department recommends that Council:

1. Award RFQ 1220-040-2018-015 for the supply of four backhoes and attachments to Inland Kenworth Ltd. in the amount of \$706,878.64 (including GST and applicable levies);
2. Set the expenditure authorization limit for this Contract at \$750,000.00 (including GST and contingencies); and
3. Authorize the General Manager, Engineering to execute the Contract for RFQ 1220-040-2018-015.

## INTENT

The purpose of this report is to seek Council approval for the purchase of four new backhoes as identified within this report.

## BACKGROUND

The City is purchasing four new backhoes, three for replacements and one additional backhoe for Cemetery Services.

## DISCUSSION

As part of the 2018 Capital Replacement and Additions budget, Engineering Operations identified three backhoes for replacement plus an additional machine for Parks, Recreation & Culture Department, Cemetery Operations.

The three units being replaced are 2003 & 2005 model year machines. The units are at the end of their economic life, and require replacement to ensure the City has suitable and reliable equipment to maintain the City's infrastructure. In addition the engines in these machines have poor engine emission standards and are classified Tier 1 and Tier 2 standard, under the Federal EPA emission regulations. These machines do not meet Metro Vancouver's Non-Road Diesel Regulatory Program emission standards, and the City pays a fee to Metro Vancouver to operate these machines.

The proposed replacement backhoes are Tier 4 standard which meets the latest federal EPA emission regulations

## QUOTATION RESULTS

In accordance with the Purchasing and Expenditure Authorization By-law, the RFQ was posted on BC Bid and the City of Surrey website. The following suppliers submitted quotes:

<b>Supplier</b>	<b>Equipment Offered</b>	<b>Tendered Amount Including Taxes &amp; Levies</b>	<b>Corrected Amount</b>
Inland Kenworth Ltd.	Case 590N	\$684,478.64	\$706,878.64
Brandt Tractor Ltd	John Deere 410L	\$742,560.00	No Change
Finning (Canada)	Caterpillar 430 F2	\$749,060.48	No Change

## EVALUATION

An evaluation team involving staff from the Engineering Department and the Finance Department reviewed the quotations for accuracy and completeness.

The review of the submission from Inland Kenworth Ltd. identified an error. The tires were not included in their submission, as requested in the tender. All other proponents included the requested tires in their submissions. Inland Kenworth Ltd. was asked to resubmit their bid with conforming tires, which subsequently resulted in a cost increase. The corrected amount is \$706,878.64.

Inland Kenworth Ltd. provided the low bid for the full scope of the RFQ and has previously supplied similar equipment to the City. Staff have found their products and service to be satisfactory. It is therefore recommended that Inland Kenworth be awarded Contract 1220-040-2018-015.

## FUNDING

Funding for the vehicles is available from 2018 Fleet Capital Replacement Program.

## SUSTAINABILITY CONSIDERATIONS

The purchase of the backhoes, and the associated economic and environmental benefits, supports the objectives of the City's Sustainability Charter 2.0. In particular, the purchase relates to the Sustainability Charter themes 2.0 of Ecosystems and Infrastructure. Specifically, the purchase supports the following Desired Outcomes (DO) and Strategic Direction (SD):

- Water, Air and Soil DO9: Air quality meets or exceeds established standards;
- Water, Air and Soil SD6: Develop and encourage stronger policies and strategies that support clean water, soil and air; and
- Energy and Climate DO7: Per capita emissions are low, and align with global, national and provincial GHG reduction targets.

## CONCLUSION

Based on the above, the Engineering Department recommends that Council:

- Award RFQ 1220-040-2018-015 to Inland Kenworth Ltd. to provide and supply four Backhoes and attachments as reflected in this report, at a cost of \$706,878.64 (including GST and applicable levies);
- Set the expenditure authorization for this contract at \$750,000.00, (including GST and contingencies); and
- Authorize the General Manager, Engineering to execute the contract for RFQ 1220-040-2018-015.

Fraser Smith, P.Eng., MBA  
General Manager, Engineering

FS/RK/KS/jma/ggg