

NO: R165

COUNCIL DATE: July 23, 2018

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 19, 2018**

FROM: **General Manager, Engineering**

FILE: **2320-20 (1/2 Ton Trucks)**

SUBJECT: **Award of RFQ 1220-040-2018-040 for the Supply of Compressed Natural Gas Fueled Trucks**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract 1220-040-2018-040 to Metro Motors Ltd. in the amount of \$972,384.00, (including GST, applicable taxes and levies), for the supply of sixteen (16) Compressed Natural Gas ("CNG") fueled light trucks in various configurations;
2. Set the expenditure authorization limit for Contract 1220-040-2018-040 at \$1,025,000.00, (including GST, levies, and contingency); and
3. Authorize the General Manager, Engineering to execute Contract 1220-040-2018-040.

INTENT

The purpose of this report is to seek Council approval for staff to purchase sixteen (16) new CNG vehicles as identified within this report. The purchase of these vehicles will add to the City's growing fleet of natural gas maintenance vehicles, supporting the City's vision of having a net zero carbon fleet. The Surrey Biofuel Facility supplies renewal natural gas (RNG) to the Fortis network, edging the City closer to fulfilling its vision of fueling a net zero carbon fleet.

DISCUSSION

The Engineering Department has identified nine (9) half ton pick-up trucks that require replacement. The model years of these nine (9) vehicles range from 2003 to 2005. Based on the age and use of these vehicles, they have long surpassed their 10-year depreciation period and are at the end of their economic life. The replacement of these vehicles was identified as part of the 2018 Fleet Capital Replacement Plan and approved as part of the 2018 budget.

Seven (7) additional vehicles for Parks, Recreation & Culture Operations Section, Engineering Department Operations Section, and Bylaws Section were requested and approved as part of the 2018 plan.

The new vehicles are capable of running on both CNG, which includes the RNG fuel, and gasoline.

In June 2018, the City issued a Request for Quotation (“RFQ”) to the open market for the supply and delivery of 15 or more CNG fueled half ton pick-up trucks to replace existing vehicles and for additional vehicles.

QUOTATION RESULTS

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

Supplier	Tendered Amount Including Taxes and Levies	Corrected Amount
Metro Motors Ltd.	\$972,384.00	No Change
Dams Ford Lincoln Sales Ltd.	\$1,044,512.00	No Change

EVALUATION

An evaluation team involving staff from the Engineering Department and the Finance Department reviewed the quotations for accuracy and completeness. No errors were found.

Metro Motors Ltd. provided the lowest bid for the full scope of the RFQ. Metro Motors Ltd. has previously supplied CNG fueled light vehicles to the City. We have found their products and service to be satisfactory. It is therefore recommended that Metro Motors Ltd. be awarded Contract 1220-040-2018-040 for the supply of sixteen (16) CNG fueled trucks.

SUSTAINABILITY CONSIDERATIONS

This purchase supports the objectives of the City’s Sustainability Charter 2.0. In particular, the purchase of 16 CNG half ton pick-up trucks relates to the Sustainability Charter 2.0 themes of Economic Prosperity and Livelihood, and Infrastructure. Specifically, this purchase supports the following Desired Outcomes (“DO”) and Strategic Direction (“SD”):

- Innovation DO14: Surrey is the region’s innovation hub, focusing on health and clean technologies, creating significant local and regional economic impacts;
- Energy and Climate DO7: Per capita emissions are low, and align with global, national and provincial GHG reduction targets;
- Energy and Climate SD5: Work collaboratively with diverse stakeholders to lower greenhouse gases and to improve air quality; and
- All Infrastructure SD1: Proactively manage community assets to maintain them over the long-term in a state of good repair.

The purchase of these CNG vehicles, and the associated environmental benefits, will further assist the City in meeting its Corporate Emissions reduction target of 20% below the baseline standards by 2020.

FUNDING

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

CONCLUSION

The Engineering Department recommends that Council:

1. Award Contract 1220-040-2018-040 to Metro Motors Ltd. in the amount of \$972,384.00, (including GST, applicable taxes and levies), for the supply of sixteen (16) Compressed Natural Gas (“CNG”) fueled light trucks in various configurations;
2. Set the expenditure authorization limit for Contract 1220-040-2018-040 at \$1,025,000.00, (including GST, levies, and contingency); and
3. Authorize the General Manager, Engineering to execute Contract 1220-040-2018-040.

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

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