

NO: R123

COUNCIL DATE: **JULY 7, 2014**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 2, 2014**

FROM: **Acting General manager, Engineering**

FILE: **1220-040-2014-014**

XC: **1280-01**

XC: **1280-02**

SUBJECT: **Award of Contract RFQ 1220-040-2014-014
for the Purchase of CNG Fuelled Light Trucks**

RECOMMENDATION

The Engineering Department recommends that Council award Contract RFQ 1220-040-2014-014 for the supply of twenty one (21) CNG fuelled light trucks in various configurations as reflected within the report to Metro Motors Limited in the amount of \$990,406.56 including taxes.

BACKGROUND

In 2012 the City of Surrey purchased four CNG fuelled trucks to evaluate the following:

- Suitability;
- Reliability;
- After sales support; and
- CNG fuel system technology performance as compared to gasoline and diesel fuelled vehicles.

Since the commissioning of these vehicles, they have proven to be reliable, with no issues relating to maintenance or performance and superior to emission issues currently experienced with some diesel powered service vehicles.

DISCUSSION

In March 2014 the City issued a Request for Expressions of Interest (RFEOI) to identify suppliers for the procurement of CNG fuelled vehicles. The City received responses from two proponents, both of whom were invited to participate in the Request for Quotation (RFQ) process.

TENDER RESULTS

Supplier	Tendered Amount Including Taxes	Corrected Amount
1. Metro Motors Limited	\$990,406.56	No Change
2. DAMS Ford Lincoln Sales	\$1,019,132.51	No Change

EVALUATION

The City received responses from both proponents, Metro Motors Limited and DAMS Ford Lincoln Sales. Metro Motors Limited's proposal met the scope of the RFQ. They have previous experience with supplying, and servicing of CNG fuelled vehicles. DAMS Ford Lincoln Sales proposal did not meet the scope of the RFQ. DAMS Ford Lincoln Sales have only limited knowledge of CNG fuel systems.

SUSTAINABILITY CONSIDERATIONS

Based on an analysis completed by Operations, as compared to gasoline and diesel trucks, the operation of these 21 CNG trucks will realize lifecycle economic savings to the City of \$386,514, and lifecycle environmental savings of 436 tonnes of Co₂ as illustrated in Appendix I to this report.

The purchase of these CNG vehicles aligns with the City's future Biofuel facility, which will generate vehicle grade Renewable Natural Gas (RNG) that will be used in these vehicles, rather than traditional CNG. Once operating on RNG generated from the Biofuel Facility, these vehicles will realize lifecycle environmental savings of 2,154 tonnes of Co₂.

The purchase of these CNG vehicles, and the associated economic and environmental benefits, meet the following Goals, as set out in the Sustainability Charter:

- **SC3: Sustainable Procurement Policies** – Fleet Services conducted a lifecycle costing assessment to determine the long term costs and benefits of purchasing the CNG vehicles. It was determined that long term benefits outweigh short term costs.
- **EC5: "Green" Infrastructure and Sustainability Grants** – Fleet Services will be seeking additional funding through the Province of BC's Light Duty Vehicle Incentive Program, which is managed by Fortis BC.
- **EC8: Energy Security** – The majority of BC's CNG is locally extracted. Further, once the City's Biofuel Facility is operational, the trucks will be fuelled by the RNG produced at the Facility.
- **EN3: Vehicle Fleet Programs** – The introduction of these CNG trucks will have a significant impact on the City's fleet emission.
- **EN5: Green Procurement Policies and Practices** – As compared to diesel or gasoline, CNG is approximately a 25% cleaner burning fossil fuel.

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 baseline standards by 2020.

FUNDING

Funding for these vehicles is available via the 2014 Fleet Capital Replacement Program and from carry-over funding from the 2013 Fleet Budget.

CONCLUSION

The Engineering Department recommends that Council award RFQ 1220-040-2014-014 for the supply of twenty one (21) CNG fuelled light trucks in various configurations as reflected within the report to Metro Motors Limited in the amount of \$990,406.56 excluding HST and levies.

Gerry McKinnon,
Acting General Manager, Engineering

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Appendix I - Life Cycle Analysis of CNG VS. Gas and Diesel Trucks

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APPENDIX I

Life Cycle Analysis of CNG VS. Gas and Diesel Trucks

Vehicle type	Number of trucks	Fuel Type	Estimated Life Cycle Cost Per Vehicle (10 Years)	Total Estimated Life Cycle Cost (10 Years)	Total GHG Emissions: 18 vehicles over 10 Years
Pick Up Trucks	18	Gasoline	\$ 97,926	\$ 1,762,668	1725
	18	CNG	\$ 83,678	\$ 1,506,204	1421
One Tonne Dump Trucks	3	Diesel	\$ 140,331	\$ 420,993	429
	3	CNG	\$ 96,981	\$ 290,943	297
Benefits of CNG:		Cost Savings:		\$ 386,514	
		GHG Reduction (tonnes):			436