

NO: R225

COUNCIL DATE: October 24, 2016

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **September 28, 2016**

FROM: **General Manager, Engineering**

FILE: **1220-40**

SUBJECT: **Award of RFQ 1220-040-2016-078 for the Supply of CNG Fuelled Trucks**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award RFQ 1220-040-2016-078 to Metro Motors Ltd. to provide the supply of six (6) Compressed Natural Gas (CNG) fuelled light trucks in various configurations as reflected within this report at a cost of \$606,007.36, including GST and applicable levies;
2. Set the expenditure authorization limit for this contract at \$636,000.00, including contingencies and GST; and
3. Authorize the General Manager, Engineering to execute the contract for RFQ 1220-040-2016-078.

BACKGROUND

Since 2012, the City of Surrey has been leading the way with the purchase of dual fuel light and medium duty trucks and vans. To date, the City has commissioned approximately fifty five (55) vehicles. These vehicles have proven to be reliable with no issues relating to maintenance or performance. The City has also benefited from the lower emissions produced by these CNG vehicles compared to the previous gasoline and diesel fuelled trucks that they replaced.

DISCUSSION

As part of the 2016 Capital Replacement and Additions plan, Engineering Operations identified four (4) one ton model trucks for replacement. The trucks being replaced are diesel fuelled trucks. They are at the end of their economic life and have been fully depreciated.

In addition to the 4 replacement trucks, the Parks Operations and Engineering Operations Divisions have each identified the need for an additional one ton type truck (one truck per Division) for their respective operations. These additional 2 vehicles will represent a net inventory increase to the City's fleet, as approved in the 2016 budget.

All trucks come complete with CNG conversion, dump box bodies and tool boxes, as per our standard specifications for this type of vehicle.

QUOTATION RESULTS

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

Supplier	Tendered Amount Including Taxes & Levies	Corrected Amount
Metro Motors Ltd.	\$606,007.36	No Change
Dams Ford Lincoln Sales Ltd.	\$613,540.48	No Change

EVALUATION

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

Metro Motors provided the low quotation for the full scope of the RFQ. Metro Motors has previously supplied CNG fuelled light vehicles to the City. We have found their products and service to be satisfactory.

Based on the above, it is recommended that Metro Motors Ltd. be awarded RFQ 1220-040-2016-078.

SUSTAINABILITY CONSIDERATIONS

The purchase of these 6 CNG vehicles aligns with the City's plan to generate vehicle grade Renewable Natural Gas (RNG) from our future biofuel facility to fuel these vehicles.

Based on our experiences so far with CNG vehicles, we believe there to be additional savings related to the low maintenance requirements of CNG emission control devices (on the vehicles) and associated costs, compared to diesel vehicles.

The purchase of the CNG vehicles, and associated economic and environmental benefits, supports the objectives of the City's Sustainability Charter. In particular, the purchase relates to the Sustainability Charter themes of Ecosystems and Infrastructure. Specifically, the purchase supports the following Desired Outcomes:

- 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;
- Energy and Climate DO7: Per capita emissions are low, and align with global, national and provincial GHG reduction targets;
- Energy and Climate DO9: Energy is produced locally, using distributed and renewable sources when economically feasible; and
- Transportation DO13: Low-emission vehicles predominate and are supported by the necessary fueling infrastructure.

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.

CONCLUSION

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

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