

NO: R142

COUNCIL DATE: July 10, 2017

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 4, 2017**

FROM: **General Manager, Engineering**

FILE: **1220-040-2017-076**

SUBJECT: **Award of Contract No. 1220-040-2017-076 for the Supply of Compressed Natural Gas Fueled Trucks**

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## RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract 1220-040-2017-076 to DAMS Ford Lincoln Ltd. to provide the supply of eight (8) Compressed Natural Gas (“CNG”) fueled light trucks in various configurations as reflected within this report at a cost of \$779,366.56, including GST and applicable levies;
2. Set the expenditure authorization limit for Contract 1220-040-2017-076 at \$810,000.00, including contingencies and GST; and
3. Authorize the General Manager, Engineering to execute Contract 1220-040-2017-076.

## BACKGROUND

Since 2012, the City has been replacing its retired light and medium duty fleet vehicles (powered exclusively by gasoline or diesel fuel) with dual-fueled vehicles that run on CNG and gasoline.

The City has benefited from the lower emissions produced by the dual-fueled vehicles. These vehicles have also proven to be reliable, with no issues relating to maintenance or performance.

## DISCUSSION

As part of the 2017 Capital Replacement and Additions Plan, the Engineering Department has identified seven (7) one tonne model trucks for replacement. The diesel-fueled trucks being replaced are at the end of their economic life and have fully depreciated. In addition, the Parks Operations Division has identified the need for an additional one tonne type truck for their operations which will represent a net inventory increase to the City’s fleet, as approved in the 2017 budget.

As per our standard specifications for this type of vehicle, all trucks will be delivered complete with CNG conversions, dump box bodies and tool boxes.

## 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
Dams Ford Lincoln Sales Ltd.	\$779,366.56	No Change
Metro Motors Ltd.	\$793,072.00	No Change

## EVALUATION

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

Dams Ford Lincoln Ltd. provided the low quotation for the full scope of the RFQ. Dams Ford Lincoln Ltd. has previously supplied CNG-fueled light vehicles to the City. We have found their products and service to be satisfactory.

Based on the above, it is recommended that Dams Ford Lincoln Ltd. be awarded RFQ 1220-040-2017-076.

## SUSTAINABILITY CONSIDERATIONS

The purchase of these eight CNG vehicles aligns with the City's plan to generate vehicle grade renewable natural gas 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 the 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.

## FUNDING

Funding for this purchase is available in the approved 2017 Fleet Capital Budget.

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

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