

NO: R197

COUNCIL DATE: October 2, 2017

REGULAR COUNCIL

TO: Mayor & Council **DATE: September 27, 2017**

FROM: General Manager, Engineering **FILE: 1220-040-2017-052**

SUBJECT: Award of RFQ 1220-040-2017-052 for the Supply of Compressed Natural Gas Fueled Trucks

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract 1220-040-2017-052 to Metro Motors Ltd. in the amount of \$606,312.00, including GST and applicable levies, for the supply of ten (10) Compressed Natural Gas (“CNG”) fueled light trucks in various configurations;
2. Set the expenditure authorization limit for Contract 1220-040-2017-052 at \$667,000.00, including contingencies and GST; and
3. Authorize the General Manager, Engineering to execute Contract 1220-040-2017-052.

INTENT

The purpose of this report is to seek Council approval for staff to purchase ten new CNG vehicles as identified within this report. These natural gas vehicles will eventually be fuelled by renewable natural gas produced by Surrey’s Biofuel Facility, edging the City closer to fulfilling its vision of fueling a net zero carbon fleet.

DISCUSSION

The Engineering Department has identified 10 half ton pick-up trucks that require replacement. The model years of these 10 vehicles range from 1998 to 2003. Based on the age and use of these vehicles, they have long since 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 2017 Fleet Capital Replacement Plan and approved as part of the 2017 budget.

The new vehicles are capable of running on both CNG, which includes the fuel produced by the City’s Biofuel Facility, and gasoline.

In June 2017, the City issued a Request for Quotation (“RFQ”) to the open market for the supply and delivery of 10 or more CNG fueled half ton pick-up trucks to replace existing 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. (Power Fuels)	\$606,312.00	No Change
Dams Ford Lincoln Sales Ltd. (Excel Fuels)	\$609,411.71	No Change
Dams Ford Lincoln Sales Ltd. (Power Fuels)	\$637,668.64	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 Ltd. provided the low quotation 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 1220-040-2017-052 for the supply of CNG fueled trucks.

SUSTAINABILITY CONSIDERATIONS

This purchase supports the objectives of the City's Sustainability Charter. In particular, the purchase of 10 CNG half ton pick-up trucks relates to the Sustainability Charter themes of Economic Prosperity and Livelihood, and Infrastructure. Specifically, this purchase supports the following Desired Outcomes:

- 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 2017 Fleet Capital Replacement Program.

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

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