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Agenda Item #6
REPORT #JWDC 2011 - 06

**REPORT TO THE JUAN DE FUCA WATER DISTRIBUTION COMMISSION
MEETING OF TUESDAY, 5 JULY 2011**

SUBJECT AWARD OF TENDER FOR SUPPLY OF VEHICLE (DUMP TRUCK)

ISSUE

Replacement of the dump truck, Unit FDT004, included in the Vehicle and Equipment Replacement Capital Budget for 2011.

BACKGROUND

This vehicle forms part of the asset base of the Capital Regional District (CRD) and is assigned to Juan de Fuca Water Distribution system, within the Integrated Water Services (IWS) department. An analysis has been completed for this unit. The analysis considers the Go Green requirements, the vehicle replacement cycle, total kilometers, age, and forecasted repairs. The analysis is attached (refer to Attachment 1).

A tender for a dump truck to replace Unit FDT004 was prepared and advertised on the CRD web site, as well as hand delivered to interested parties. \$165,000 was included in the Fleet budget in 2011 from equipment replacement funds to purchase a new dump truck.

Given the CRD goal of being carbon neutral by 2012, each vehicle replacement request is reviewed from the perspective of right sizing the vehicle for the intended use and the carbon foot print of alternatives. Vehicles in this class are not tested for Green House Gas (GHG) emissions by government agencies therefore, comparisons are based on manufacturer's claims and anecdotal evidence. In this case, all manufacturers have made significant improvements in engine emissions over the past ten years and a vehicle with B20 compatible diesel engine that meets the needs of the job requirement was selected. This gives the CRD the opportunity to reduce GHG emission through the use of current engine technology and the use of bio-fuels.

ALTERNATIVES

Alternative 1 – That the Juan de Fuca Water Distribution Commission award the tender to replace Unit FDT004 to MACK Sales and Service in the amount of \$130,290.00 and remarket the existing truck, Unit FDT004, through BC Auction.

Alternative 2 – That the Juan de Fuca Water Distribution Commission direct staff to retain and maintain the current unit for another year.

IMPLICATIONS

Alternative 1 – The lowest bid from MACK Sales and Service met the tender specifications however, their bid has a 135 day delivery time. The bid from Berk's Intertruck is for an in stock 2011 Volvo with a short delivery time of 7 days, but is \$7,210 more expensive.

Purchase of the vehicle will be funded from the vehicle and equipment replacement fund, which was included in the 2011 budget.

Vehicle	Supplier	Make & Model	Net Price	DELIVERY, days
FDT004	P&R Western Star	2012 Freightliner M2 112	\$132,700.00	210
	Inland Kenworth Parker Pacific	2010 T800 Kenworth Demonstrator Red, 9,000 km	\$145,965.00	10
	MACK	2011 Granite GU813	\$130,290.00	135
	Harbour International	2011 I 7600 Workstar	\$132,373.00	150
	Berks Intertruck	New 2011 Volvo White	\$137,500.00	7

Alternative 2 – If this vehicle is not replaced, the costs associated with the operation and maintenance of the vehicle will continue to increase the life cycle cost per km. The increased down time resulting from higher maintenance needs will jeopardize the ability of the CRD to meet operational needs.

CONCLUSION

The lowest bid from MACK Sales and Service met the tender specifications.

RECOMMENDATION

That the Juan de Fuca Commission award the tender to replace Unit FDT004 to MACK Sales and Service in the amount of \$130,290.00 and remarket the existing truck, Unit FDT004, through BC Auction.

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Replacement analysis for Vehicle FDT004 Purchased in 2001

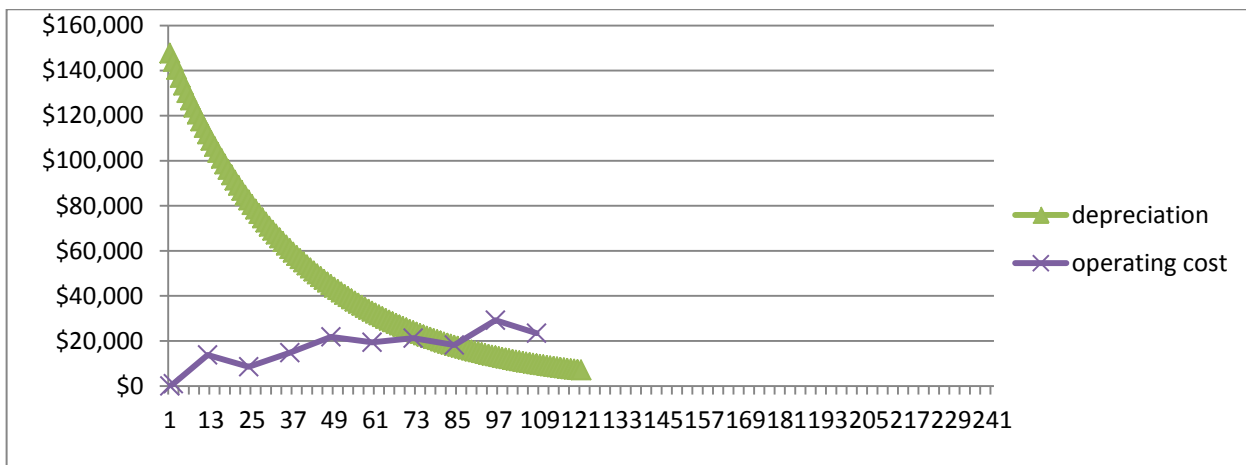
This vehicle is used by Integrated Water Services in the Juan de Fuca Water Distribution system, primarily for water main repair and replacement projects. Throughout the year, under all weather conditions, the vehicle is required to be available to remove excavated material and deliver bedding material through the western communities of the CRD. The vehicle is operated in the urban area and in the public eye. The hour meter on this vehicle exceeds 10,200 hours which is equivalent to 510,000 km on the engine. The vehicle odometer is 172,000 km.

ENVIRONMENTAL

The present 2001 Diesel powered truck would be replaced by a B20 compatible diesel engine truck with current engine technology which has better fuel economy and a reduced CO2 output. There is no hybrid vehicle available in this class suitable to this type of duty.

Vehicle replacement cycle is based on data up to the end of December 2010:

The vehicle replacement graph reflects the optimal replacement cycle. Where the two lines cross indicates the optimal replacement point, the lowest life cycle cost per km.



From the above graph it can be seen that the optimal replacement point for this vehicle was around 85 months in the lifecycle. We are well past that point and the lifecycle cost per km continues to rise.