



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

SUBJECT AWARD OF TENDER FOR SUPPLY OF VEHICLE (FLAT DECK TRUCK AND CRANE)

ISSUE

Replacement of the flat deck truck and crane, Unit FFD003, included in the Vehicle and Equipment Replacement Capital Budget for 2010.

BACKGROUND

This vehicle forms part of the asset base of the Capital Regional District (CRD) and is assigned to the Juan de Fuca Water Distribution system within the Integrated Water Services department. The vehicle will be specially equipped to meet the needs of Water Management, specifically as a flat deck with a 9,000 kg crane with winch. The existing flat deck and crane are still serviceable however, transfer onto a new chassis is not feasible. Remarketing this vehicle as a complete unit increases the value substantially. 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 required for the cab frame. The analysis is attached (refer to Attachment 1).

A tender for a flat deck truck and crane for Integrated Water Services to replace Unit FFD003 was prepared and advertised on the CRD web site, as well as hand delivered to interested parties. \$152,000 was included in the 2010 budget from equipment replacement funds to purchase the new flat deck and crane for the Juan de Fuca Water Distribution system. Remarketing Unit FFD003 through BC Auction is expected to recover approximately \$15,000.

ALTERNATIVES

Alternative 1 – That the Juan de Fuca Commission award the tender to replace Unit FFD003 to P&R Western Star in the amount of \$174,798.40 and remarket the existing truck, Unit FFD003, through BC Auction.

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

IMPLICATIONS

Alternative 1 - Tender bids shown in bold are the lowest compliant bids received. Not all the bids met the tender specifications. Purchase of the vehicle will be funded from the vehicle and equipment replacement fund in the capital budget.

Vehicle	Supplier	Make & Model	Net Price	Delivery
FFD003	P&R Western Star	2011 Freightliner M2	\$174,798.40	120
	MACK Sales&Service A	2011 MACK MRU613	\$180,308.80	7
	MACK Sales&Service B	2011 Mack Granite GU713 – HIAB Crane	\$215,023.20	180
	MACK Sales&Service C	2011 Mack Granite GU713 – PM Crane	\$220,623.20	180
	P&M Industries	Freightliner M2	\$198,216.48	7
	Inland Kenworth	Kenworth T470H	\$190,411.20	135
	Harbour International	IH Workstar 7500A	\$191,016.00	135
	Berks Intertruck A	2011Volvo VHD64B200	\$225,375.36	180
	Berks Intertruck B	2011Volvo VHD64B200	\$222,148.64	180
	Berks Intertruck C	2011Volvo VHD64B200	\$221,121.20	180
	Berks Intertruck D	2011Volvo VHD64B200	\$217,984.48	180
	Berks Intertruck E	2011Volvo VHD64B200	\$211,759.52	180
	Berks Intertruck F	2011Volvo VHD64B200	\$208,532.80	180

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 kilometer. 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 P&R Western Star met the tender specifications.

RECOMMENDATION

That the Juan de Fuca Commission award the tender to replace Unit FFD003 to P&R Western Star in the amount of \$174,798.40 and remarket the existing truck, Unit FFD003, through BC Auction.

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Replacement analysis for Vehicle FFD003 Purchased in 1989

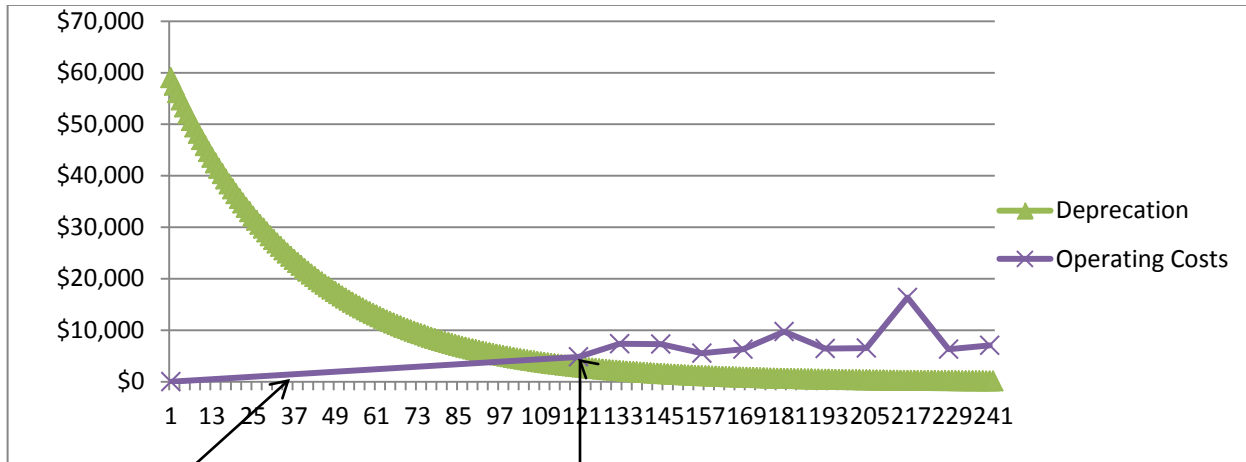
This vehicle is used by Integrated Water Services in the Juan de Fuca Water Distribution system, primarily to deliver pipe and equipment to construction sites. Throughout the year, under all weather conditions, the vehicle is required to transport personnel, equipment and supplies throughout the CRD. The vehicle is operated in the urban area and in the public eye. The hour meter on this vehicle exceeds 9,600 hours which is equivalent to 480,000 km on the engine. The vehicle odometer is 155,000 km.

ENVIRONMENTAL

The present 1989 Diesel powered truck is being replaced by a B20 compatible diesel engine truck with current engine technology which has a 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.



Estimation, no hard data 1989-1999

actual data starts 1999

From the above graph it can be seen that the optimal replacement point for this vehicle was around 120 months in the lifecycle. We are well past that point and the lifecycle cost per km continues to rise. The vehicle utilization is 75% and some imminent required repairs are the fiberglass hood and supporting structure as well as the cab frame. The age of this vehicle makes many of the parts obsolete. It is recommended that the vehicle be replaced.