



**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, 18 MAY 2011**

SUBJECT AWARD OF TENDER FOR SUPPLY OF VEHICLES

ISSUE

The purpose of this report is to award the tender for the replacement of three (3) pickup trucks included in the 2011 Equipment Replacement Budget and the acquisition of one (1) new pickup truck approved in the 2011 capital budget.

BACKGROUND

Units are work vehicles that form part of the asset base of the Regional Water Supply system and they are assigned to Watershed Protection. The vehicles are specially equipped to meet the needs of the watershed and severe working environment. An analysis has been completed for each unit. The analysis considers the Go Green requirements, the vehicle replacement cycle, total kilometers, and age. The analysis for each unit is attached (see Attachment 1). The new truck is for a new supervisor position in the Watershed Protection division.

A tender was prepared, advertised on the Capital Regional District (CRD) website and delivered to interested parties. The tender closed on 11 May 2011 and all bids are for 2011 model year vehicles. The ordering deadline for this model year is during the last part of May. After this time, pricing is subject to change and delivery will be delayed for 2012 model year vehicles.

ALTERNATIVES

- Alternative 1 – Award the contracts for the supply of new vehicles.
- Alternative 2 – Do not award the contracts.

FINANCIAL IMPLICATIONS

Alternative 1

All vehicles meet the tender specifications.

- i. The lowest bids received were from Suburban Ford however, this vehicle has a 25% greater annual CO₂ impact.
- ii. Tender costs shown in bold are for the vehicle that presents the best carbon footprint, but is \$537.00 more per vehicle.

Vehicle	Supplier	Make & Model	PRICE	Carbon footprint
FPU056	Jenner	Chevrolet Silverado 2500	\$35,809.76	6072
	Suburban Motors	Ford F250 Super Duty	\$35,272.16	7574
	Metro Ford	Ford F250 Super Duty	\$35,364.00	7574
	Willie Dodge	Dodge Ram 2500	\$40,016.48	6256
FPU057	Jenner	Chevrolet Silverado 2500	\$35,809.76	6072
	Suburban Motors	Ford F250 Super Duty	\$35,272.16	7574
	Metro Ford	Ford F250 Super Duty	\$35,364.00	7574
	Willie Dodge	Dodge Ram 2500	\$40,016.48	6256

Vehicle	Supplier	Make & Model	PRICE	Carbon footprint
FPU058	Jenner	Chevrolet Silverado 2500	\$35,809.76	6072
	Suburban Motors	Ford F250 Super Duty	\$35,272.16	7574
	Metro Ford	Ford F250 Super Duty	\$35,364.00	7574
	Willie Dodge	Dodge Ram 2500	\$40,016.48	6256
NEW	Jenner	Chevrolet Silverado 2500	\$35,809.76	6072
	Suburban Motors	Ford F250 Super Duty	\$35,272.16	7574
	Metro Ford	Ford F250 Super Duty	\$35,364.00	7574
	Willie Dodge	Dodge Ram 2500	\$40,016.48	6256

Alternative 2

If the vehicles are not replaced, the costs associated with the operation and maintenance of the vehicles will continue to increase. The life cycle cost per kilometer will continue to rise. The increased down time resulting from higher maintenance needs will reduce the productivity of the vehicles and work crews.

RECOMMENDATION

That the Regional Water Supply Commission:

1. Award the tender to replace units FPU056, FPU057, and FPU058 to Jenner Chevrolet, in the amount of \$107,429.28.
2. Award the tender to purchase a new pickup truck to Jenner Chevrolet in the amount of \$35,809.76.

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Attachment: 1
DG:mm

Replacement analysis for vehicle FPU056 purchased in 2003 presently with 154,105 km

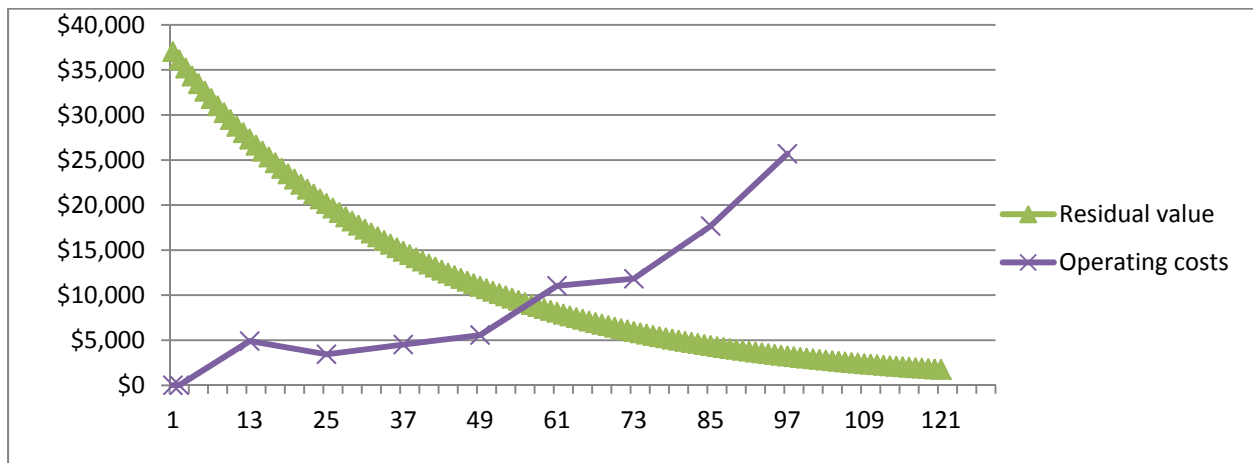
This vehicle was purchased in 2003. The vehicle is used by the Watershed Protection.

Go Green requirements:-

The present 2004 GMC 2500 6L V8 Extended Cab pickup is being replaced by a similar vehicle as this is the minimum requirement to perform the duties. Updating the vehicle will reduce GHG emissions by up to 25% through improved engine technology.

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

The vehicle replacement graph reflects the optimal replacement cycle. Where the two lines meet indicates the optimal replacement point.



From the above graph it can be seen that the optimal replacement cycle for this vehicle has been passed and the maintenance costs from month 60 are higher than the calculated residual value. This trend increases the life cycle cost per kilometer. It is recommended that this vehicle be replaced.

Replacement analysis for vehicle FPU057 purchased in 2003 and has accumulated 168,300 km

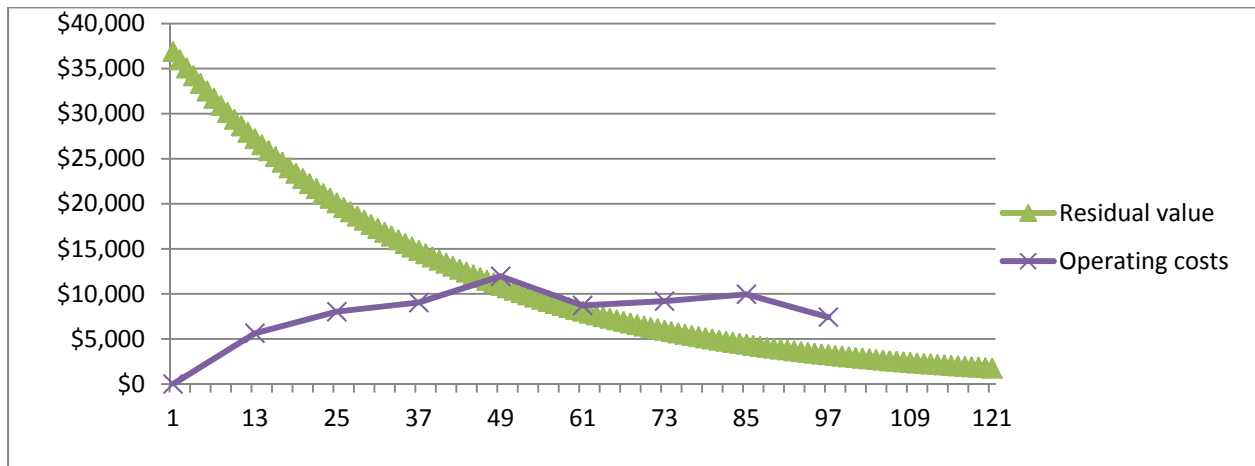
This vehicle was purchased in 2003. The vehicle is used by the Watershed Protection.

Go Green requirements:-

The present 2004 GMC 2500 6L V8 Extended Cab pickup is being replaced by a similar vehicle as this is the minimum requirement to perform the duties. Updating the vehicle will reduce GHG emissions by up to 25% through improved engine technology.

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

The vehicle replacement graph reflects the optimal replacement cycle. Where the two lines meet indicates the optimal replacement point.



From the above graph it can be seen that the optimal replacement cycle for this vehicle has been passed and the maintenance costs from month 49 are higher than the calculated residual value. This trend increases the life cycle cost per kilometer. It is recommended that this vehicle be replaced.

Replacement analysis for vehicle FPU058 purchased in 2003 and 180,251 km

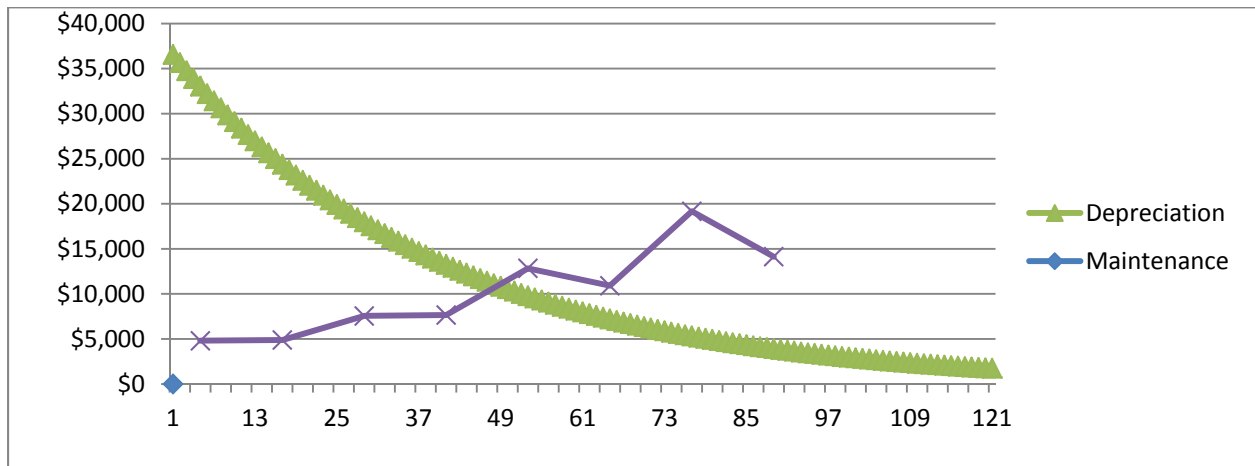
This vehicle was purchased in 2003. The vehicle is used by the Watershed Protection.

Go Green requirements:-

The present 2004 GMC 2500 6L V8 Extended Cab pickup is being replaced by a similar vehicle as this is the minimum requirement to perform the duties. Updating the vehicle will reduce GHG emissions by up to 25% through improved engine technology.

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

The vehicle replacement graph reflects the optimal replacement cycle. Where the two lines meet indicates the optimal replacement point.



From the above graph it can be seen that the optimal replacement cycle for this vehicle has been passed and the maintenance costs from month 49 are higher than the calculated residual value. This trend increases the life cycle cost per kilometer. It is recommended that this vehicle be replaced.