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Agenda Item #7
REPORT #RWSC 2013-19

REPORT TO THE REGIONAL WATER COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 4, 2013

SUBJECT **AWARD OF TENDER FOR SUPPLY OF VEHICLE (CABLE SKIDDER)**

ISSUE

The existing cable skidder, Unit FSK001, used in the water supply area is in need of replacement. Tenders have been received for a replacement unit.

BACKGROUND

This unit forms part of the asset base of the Capital Regional District (CRD) and is assigned to the Watershed Protection Division, within the Integrated Water Services (IWS) department. The existing skidder is a 1979 Clark 667C and is at the end of its useful life; it is the only skidder in the fleet. The skidder is used for maintenance activities in the water supply area, including moving fallen trees resulting from storm damage or danger tree removal, and is a critical piece of equipment in the Wildfire Preparedness Plan. An analysis has been completed for this unit that considered the Go Green requirements, the vehicle replacement cycle, total kilometers/hours, age, and forecasted repairs. The analysis is attached (refer to Attachment 1).

Replacement of FSK001 was included in the Fleet budget in 2013, funded from equipment replacement funds. A tender to replace Unit FSK001 was prepared and advertised on the CRD web site, as well as delivered to interested parties. Two bids were received, and are summarized as follows:

Vehicle	Supplier	Make & Model	Total Tendered Amount	DELIVERY, days
FSK001	Parker Pacific	2013 Tigercat 604C	$240,390.00	70
	BRANDT	2013 John Deere 540G	$204,040.00	90

Given the CRD goal of being carbon neutral, 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, heavy equipment, 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 this vehicle includes a Tier 3 compliant engine. This gives the CRD the opportunity to reduce GHG emission through the use of current engine technology.

ALTERNATIVES

1. That the Regional Water Commission award the tender to replace Unit FSK001 to Brandt Tractor in the amount of $204,040 (plus tax) and remarket the existing skidder, Unit FSK001, through BC Auction for an expected return of about $10,000.

2. That the Regional Water Commission direct staff to retain and maintain the current unit.

IMPLICATIONS

Alternative 1 - The lowest bid was from Brandt Tractor for a 2013 John Deere 540G machine that met the tender specifications with a 90 day delivery time. 2013 is the last year of production for this cable skidder model.

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 hour. The current machine is a 1979 and parts are becoming obsolete. 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 Brandt Tractor met the tender specifications and there is adequate funding in the equipment replacement fund.

RECOMMENDATION

That the Regional Water Supply Commission award the tender to replace Unit FSK001 to Brandt Tractor in the amount of $204,040 (plus tax) and remarket the existing skidder, Unit FSK001, through BC Auction for an expected return of about $10,000.

David Goddard
Manager, Corporate Fleet

Jan van Niekerk, P.Eng.
Senior Manager,
Customer & Technical Services
Concurrence

Ted Robbins, B.Sc., C.Tech.
General Manager, Integrated Water vices
Concurrence

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Attachments: 1

Replacement analysis for Vehicle FSK001 1979 Clarke cable skidder

This Skidder is used by Watershed Protection, Integrated Water Services, primarily for water supply area maintenance. The hour meter on this vehicle exceeds 9,000 hours which is equivalent to 450,000 km on the engine. The operating costs in 2012 were $8,500. The current machine is a 1979 and parts are becoming obsolete. The last major repair in 2011 was the torque converter and a replacement could not be located which resulted in a lengthy delay to rebuild the old converter.

Environmental Considerations

The present 1979 Diesel powered skidder would be replaced by a tier 3 compliant diesel engine machine with improved engine technology, which has better fuel economy and reduced CO_2 output. There is no hybrid vehicle available in this class suitable to this type of duty.

Safety Considerations

The current machine is equipped with, and built to safety regulations applicable in 1979. Current standards are much higher and this machine is not capable of being retrofitted to bring it up to date. For example cab protection and braking systems.