SUBJECT: Standardization of Snow Plows and Sanders for Winter Control (PW08012) - (City Wide)

RECOMMENDATION:
(a) That aluminum combination sander bodies be specified as standard equipment to replace steel body sander trucks required in 2008, 2009 and 2010;
(b) That Public Works and the Manager of Purchasing be authorized to negotiate a house account with the sole provider of aluminum bodies;
(c) That the award of contract C11-117-07 be awarded to Eastgate Truck Centre, Hamilton who submitted the lowest compliant bid.

EXECUTIVE SUMMARY:
A Request for Tender, C11-117-07 for the Supply and Delivery of Twenty-two Plow Trucks with Various Configurations was issued on November 5, 2007 and closed on December 4, 2007 for the replacement of 22 trucks for the Winter Control program. There were nine pickups of the document and four submissions received. One submission was a partial bid and three compliant bids were received for all configurations.
The bodies specified for these sander trucks are aluminum. Some potential vendors have asked the Purchasing section for clarification of the need for aluminum sander bodies instead of conventional steel bodies, as there is currently only one manufacturer of aluminum sander bodies in Canada. Although several truck dealers have indicated they intend to bid on the City’s requirements, using different sources for the truck chassis, they would all have to go to the same source for the aluminum sander body.

Public Works recommends that the City standardize its specifications to use aluminum sander bodies on trucks used for winter control to increase productivity and reduce maintenance cost.

**BACKGROUND:**

The information/recommendations contained within this report have City wide implications.

A Request for Tender, C11-117-07 for the Supply and Delivery of Twenty-two Plow Trucks with Various Configurations was issued on November 5, 2007 and closed on December 4, 2007 for the replacement of 22 trucks for the Winter Control program. There were nine pickups of the document and four submissions received. One submission had a partial disqualification and there were three compliant bids.

Two potential vendors contacted Purchasing about the specification for aluminum bodies instead of conventional steel bodies that negatively affected their ability to bid. There is currently only one supplier of aluminum bodies, but several truck chassis vendors who were able to submit a bid.

Staff is requesting approval to proceed with the award of Contract C11-117-07 to the lowest compliant bidder and to establish aluminum bodies as a standard for sander trucks.

**ANALYSIS/RATIONALE:**

The truck body manufacturer, Viking Cives Ltd. of Mount Forest, Ontario provided information on aluminum bodies that are lighter in weight and therefore able to carry larger loads than steel bodies. This would permit Operations & Maintenance to cover up to 28% more lane-kilometres of roadways with each truck before having to return to the yard for more material. Aluminum bodies are specified by a number of other fleets in both the public and private sectors.

Steel bodies must be painted to avoid rust. Even the best paint cannot withstand the corrosion caused by carrying salt in wet conditions. Many of our painted trucks begin to experience significant paint deterioration after only three years. Aluminum does not react to salt and requires no paint to protect it. Our experience with aluminum bodies on smaller trucks operated by the Operations & Maintenance Division since 1998 demonstrates aluminum’s performance compared to steel.

The truck body industry introduced aluminum to offer an alternative to the rising price of steel. Aluminum is still more expensive than steel, adding about 4.8% to the overall cost of each truck. This is offset by reduced paint maintenance, less wear and tear on brake and suspension components and the potential to extend vehicle life from the current 12
year cycle. From an operating perspective, Operations & Maintenance can cover more kilometres of roads and have fewer empty trips to the yard to replenish sand or salt.

**ALTERNATIVES FOR CONSIDERATION:**

Continuing the use of conventional steel bodies would reduce the overall cost of the anticipated $4.5-million contract by about $189,000 or 4.2%. Steel bodies are preferred for hauling broken concrete. Offsetting this saving is the expense of having to repaint steel bodies during their service life and lower resale values, as well as the poor appearance of rusty truck bodies. Aluminum is lighter than steel and is expected to reduce fuel consumption especially for empty trips.

Some municipalities use stainless steel for truck bodies which resolves the appearance problem. Stainless steel is heavier than either aluminum or conventional steel and would make the overloading problem in our fleet worse.

One other alternative is to cancel the tender and issue another without the requirement for aluminum bodies. This would delay delivery until after the 2008-2009 winter season has started and require additional budget for continued maintenance of the older trucks, and would increase the risk of interruptions to the Winter Control Program caused by equipment failures.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial:** This purchase has been approved as part of the 2006 Vehicle Replacement Plan, capital project # 4940651100 and the 2007 Vehicle Replacement Plan, capital project # 4940751100.

Table 1 shows a summary of bids received. The lowest compliant bid is within the available budget forecast for this purchase.

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Eastgate Truck</th>
<th>Kirby International</th>
<th>Premier Peterbilt</th>
<th>Sheehan’s Truck Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Amount</strong></td>
<td>$4,181,104</td>
<td>$4,240,790</td>
<td>$2,480,836</td>
<td>$4,588,739</td>
</tr>
<tr>
<td><strong>Notes</strong></td>
<td>Taxes extra</td>
<td>Taxes extra</td>
<td>Partial bid</td>
<td>Taxes extra</td>
</tr>
</tbody>
</table>

Adequate budget was forecast for this purchase in our 2006 and 2007 vehicle replacement plan. This includes using aluminium bodies as opposed to steel which increases the value of the contract by approximately $189,000.00. This is offset over the life of the vehicle by reducing the amount of maintenance required (lighter=less wear, less fuel, painting not required), by increasing the efficiency of the units (more payload capacity per load) and by improving the image of City vehicles.

**Staffing:** There are no staffing implications.

**Legal:** There are no legal implications.
POLICIES AFFECTING PROPOSAL:

The City of Hamilton Purchasing Policy, 4.14, allows for standardization for a specific common need or requirement and then selects a Good and/or Service that best fills the need to become the standard.

This agreement aligns with the Public Works strategic plan by ensuring that trucks are maintained and reach their maximum lifecycle, and costs are kept to a minimum.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Community well-being is enhanced by being able to provide reliable, low maintenance equipment at an affordable cost.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Environmental well-being is enhanced by providing sustainable truck bodies which do not become prematurely obsolete.

Economic Well-Being is enhanced. ☑ Yes ☐ No
The lighter aluminum bodies will reduce wear and tear on brake and suspension components and reduce fuel consumption on empty runs. The cost of repainting steel bodies due to corrosion is eliminated.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No

The recommendation continues to make Hamilton a City of choice for high performing public servants. The maintenance and safety of our roads should demonstrate excellence in the area of service delivery through a high quality, well equipped workforce that takes pride in their efforts and in the community where they live. The implementation of a road maintenance program based on cost-efficiency and job excellence makes the purchase of proper equipment necessary.