



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Transit Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	April 16, 2018
SUBJECT/REPORT NO:	2018 Conventional Bus Replacement (PW18029) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Mark Selkirk (905) 546-2424, Extension 5968
SUBMITTED BY:	Debbie Dalle Vedove Director, Transit Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the General Manager of Public Works or delegate be authorized to amend the approved 2018 Transit Fleet replacement capital budget to purchase up to twelve (12) sixty-foot (60') articulated CNG (Compressed Natural Gas) buses at an upset cost of \$10,800,000. The total cost of this purchase is accommodated with the approved Capital project "2018 HSR Bus Replacement" (5301883100);
- (b) That the General Manager of Public Works or delegate be authorized to single source the purchase using Purchasing Policy #11 – Non-competitive Procurements, of up to twelve (12) CNG sixty foot articulated buses from New Flyer Industries with the understanding that they are the only Canadian manufacturer.

EXECUTIVE SUMMARY

In 2017, the City of Hamilton was offered the opportunity to participate in a joint procurement of 40' and 60' Transit buses with Metrolinx and other Ontario municipalities. The City Of Hamilton joined this procurement agreement in 2008 under Council's approval for acquisition of the 2008 Transit replacement Fleet and has continued to procure Transit buses under subsequent Metrolinx led tenders.

The most recent tender for the years 2017 to 2020 was issued by Metrolinx and awarded to the successful bidder, Nova Bus, Division of Volvo Group Canada Inc. Council has previously approved Hamilton's participation in this joint procurement. This award to Nova Bus did not include 60', Compressed Natural Gas powered (CNG), articulated buses as the successful proponent does not manufacture this configuration.

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The Hamilton Street Railway (HSR) currently has 43, 60' articulated buses in active service with 18 of those being CNG powered. The increase in the articulated bus fleet will serve to increase the capacity of the system, and hopefully mitigate some customer pass by situations.

This report recommends Council's approval of 12 replacement (2018), 60', Compressed Natural Gas powered, articulated buses from the only Canadian Supplier of that configuration, New Flyer Industries, using Purchasing POLICY # 11 - Non-competitive Procurements.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are sufficient funds for the purchase in the Capital Budget, "2018 HSR Bus Replacement" (5301883100) of up to \$10,800,000 for the transit fleet replacement buses.

Staffing: There are no staffing implications.

Legal: There are no legal implications.

HISTORICAL BACKGROUND

The procurement initiative, facilitated by Metrolinx, involves fourteen transit systems including: Hamilton, Burlington, York Region, Durham Region, Barrie, North Bay, Milton, Cobourg, Elliot Lake, Sarnia, St. Catharines, Thunder Bay, Cornwall, and Orillia.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

City of Hamilton entering into a procurement agreement with New Flyer Industries.

City Of Hamilton Policy for Cooperative Purchasing, Policy # 11 Section 4.11 permits Non-competitive Procurement as follows:

SECTION 4.11

(1) Subject to Policy # 2 - Approval Authority, the General Manager of the Client Department will approve the *Non-competitive Procurement Form*, justifying the need to use this Policy # 11 prior to City staff entering into any discussions with any vendor regarding the purchase of the Goods and/or Services. This process may be adopted when any of the following conditions apply:

(a) when Goods and/or Services are judged to be in short supply due to market conditions (short supply);

(b) when a single source (for the purpose of this policy this shall include sole source transactions) for the supply of a particular Good and/or Service is being recommended because it is more cost effective or beneficial for the City (single source);

(c) Where a City Contract has expired or will very shortly expire and unforeseeable circumstances have caused a delay in issuing a new RFP or RFT so that a Contract extension is required (contract extension).

(2) Council must approve any requests for negotiations with a single source as set out in subsection (1)(b) of this Policy # 11, where the cumulative value of the Policy 11 exceeds a multi-year value of the proposed procurement is \$250,000 or greater. For greater clarity, the total cumulative value of a Policy 11 shall not exceed \$250,000 in any given year or multiple consecutive years.

(3) All approved forms shall be forwarded to the Manager of Procurement. The Manager of Procurement will be responsible for reporting the use to Council on a quarterly basis.

(4) The Goods and/or Services shall be procured through a Purchase Order, a formal Contract or any other process as approved by the Director of Financial Services & Corporate Controller.

(5) Where consultancy services are being procured and are in excess of \$100,000, a formal Contract shall be required.

(6) All formal Contracts shall be in a form satisfactory to the City Solicitor.

The purchase of these low emission CNG powered buses that are equipped with engines meeting the EPA 2023 emission standard; ensure the lowest tailpipe emissions in accordance with the Public Works Strategic Plan commitment to be a leader in the “greening” of the City.

RELEVANT CONSULTATION

Staff has consulted with participating municipalities for the Metrolinx 2017 to 2020 procurement.

The Corporate Services Department: Procurement, Finance & Administration were consulted and are in agreement with the recommendations.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

The 60’ low floor CNG fleet is being recommended with the key reasons being:

- Ability to meet the increasing capacity needs of Transit,
- lowest operating cost,
- meets commitment to 12-year life cycle timing.

ALTERNATIVES FOR CONSIDERATION

Council could direct staff to procure 40' CNG powered buses as the capital replacement originally specified. This is not recommended as it would not increase the capacity of the system using the current Council approved complement of bus Operators.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 1.4 Improve the City's transportation system to support multi-modal mobility and encourage inter-regional connections.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.2 Improve the City's approach to engaging and informing citizens and stakeholders.
- 2.3 Enhance customer service satisfaction.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

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- 3.2 Build organizational capacity to ensure the City has a skilled workforce that is capable and enabled to deliver its business objectives.
- 3.3 Improve employee engagement.
- 3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

None

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