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PURCHASE OF A FOUR-WHEEL-DRIVE BACKHOE (REQUEST FOR PROPOSAL P-12-89)

The Transportation Services Committee recommends the adoption of the recommendation contained in the following report dated October 23, 2012, from the Commissioner of Transportation and Community Planning.

1. RECOMMENDATION

It is recommended that:

1. Council authorize entering into a contract with Toromont CAT for the supply and delivery of a four-wheel-drive backhoe plus attachments, at a cost of \$118,985 exclusive of taxes, in accordance with RFP-12-89.

2. PURPOSE

This report seeks Council authorization to engage Toromont CAT to supply a four-wheel-drive backhoe plus associated attachments for use by the Roads branch for various roadway maintenance activities.

In accordance with York Region's Purchasing By-law, Council authorization is required when a Request for Proposal has been issued and the highest scoring bid is not the bid with the lowest overall cost.

3. BACKGROUND

Currently, the Roads Branch owns one backhoe which has reached the end of its useful life

The Roads branch currently has an eighteen year old backhoe which is used Region-wide for roads maintenance activities. Through the 2012 budget process, funds were allocated for its replacement.

4. ANALYSIS AND OPTIONS

Performance, reliability and maintainability are important considerations in the purchase of specialized equipment.

In the past, the procurement of vehicles and equipment has been accomplished through the use of tenders resulting in awards based solely on pricing. This has been problematic because the low bid approach resulted in equipment being purchased that did not meet the needs of the users. In order for staff to evaluate equipment on its technical merits and other beneficial factors, such as maintenance, safety, training, delivery etc., the purchase of this backhoe followed a request for proposal (RFP) process.

Prior to issuing the RFP, Fleet Services staff met with staff from the Roads operations branch in order to determine their specific needs and requirements for the replacement of the current backhoe. This was an important process component as it helped clarify the equipment's actual use. This process also helped to inform the budget estimate and guide the development of the backhoe specifications.

The RFP evaluation process allowed regional operators to test equipment

Through the RFP process, the proposals were evaluated based on a weighting of 80% for the technical component and 20% for the financial component.

The technical proposals were evaluated using the following criteria:

1. Product Demonstration - To allow for the evaluation of operational ease, equipment maintainability and operating sightlines.
2. Qualifications and Experience - Including the capacity of the firm to provide mobile service and provide local parts supply, as well as references.
3. Project Deliverables - Including firm delivery date, operator and mechanic training.
4. Environmental/Sustainability Considerations - Including demonstrated use of environmental sustainable initiatives, compatibility with 20% bio-diesel fuel, Tier 4 powertrain (current standard for "clean diesel" emissions).
5. Safety Features – Including effectiveness and value added services.

The proposal submitted by Toromont CAT is the clear choice from an overall technical perspective

Table 1 shows the total technical evaluation scores for all bids:

Table 1
Technical Evaluation Summary

Company	Technical Score
Toromont CAT	65.20
Strongo Corporation	48.55
Nortrax Canada Inc.	46.45

Note: Total required score to advance to Price Evaluation (Envelope B): 48 points or 60%.

In accordance with the terms of the RFP, should a Proponent's bid receive a technical evaluated score less than 60%, this bid would not proceed to the evaluation of their pricing. This was the case for the bid evaluated by Nortrax Canada Inc.

Toromont CAT proposal is the recommended option based on combination of technical and financial scores

The technical scores and price scores were combined in accordance with the Purchasing By-law to determine the highest scoring bid as indicated in Table 2. The bid received by Toromont CAT satisfied the evaluation criteria and had the highest combined score.

Table 2
Evaluation Summary

Company	Technical Score (Out of 80)	Financial Score (Out of 20)	Combined Score	Total Price
Strongco Corporation	48.55	20.00	68.55	\$87,250
Toromont CAT	65.20	15.99	81.20	\$109,118

The RFP also included several optional attachments (such as a hydraulic broom, material handling forks, ditching buckets, etc.) to ensure that the backhoe could be fully deployed for multi-functional applications. The award recommendation includes the inclusion of several of these attachments.

Fleet Services staff are familiar with CAT equipment which will reduce ongoing maintenance costs

An added benefit of the proposal from Toromont CAT is that Fleet Services staff are familiar with the maintenance requirements of this manufacturer. Fleet Services already maintain several pieces of CAT roadway construction equipment and have computerized

diagnostic software to assist with in-house maintenance and repairs. This specialized software means that the Region is not solely reliant on the manufacturer for the diagnosis and repair of problems.

5. FINANCIAL IMPLICATIONS

The highest scoring proposal is within budget

Based on the evaluation of the technical and financial proposal, Toromont CAT achieved the highest total score by a significant margin. Although this proposal has the highest cost (including attachments), it is within the overall fleet capital budget of \$1,255,000 allocated for the purchase of replacement vehicles and associated equipment.

In addition to the backhoe purchase, it is recommended that the following attachments be purchased to maximize the working effectiveness of the equipment:

1. Material Handling Forks: For loading and unloading of material and pallet handling within the maintenance yards.
2. Ditching Bucket: Designed to allow the backhoe to be used for shaping ditches and slopes along rural roads.

The total cost of these attachments is \$9,867, bringing the total cost of purchasing the backhoe and attachments to \$118,985. These items were included as optional equipment within the proposal and prices obtained through the RFP.

6. LOCAL MUNICIPAL IMPACT

There is no local municipal impact from the purchase of this equipment.

7. CONCLUSION

The RFP prices used for purchase of this four-wheel-drive backhoe reflects a new direction for the procurement of specialized equipment for Fleet Services. Fleet Services staff recognize that the purchase price is only one consideration in the procurement of specialized equipment. Other criteria which affect the usability and life-cycle cost of the asset include:

- Maintenance costs
- Compatibility with existing equipment
- Parts supply
- Delivery, training
- Safety and operator familiarity

These criteria are critical to include for effective equipment purchases.

For more information on this report, please contact Brian Titherington, Director Roads at Ext. 5901.

The Senior Management Group has reviewed this report.