

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 7.1.5
Halifax Regional Council
April 2, 2020

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: March 10, 2020

SUBJECT: Award – RFP 19-348, Supply and Deliver Up To One-Hundred and Fifty (150) 12.2m Transit Buses Over a Three (3) Year Period, with Option to Renew for Two (2) Additional One (1) Year Periods

ORIGIN:

2020-2021 Capital Advance Tender Projects list approved by Regional Council Nov 26, 2019.

LEGISLATIVE AUTHORITY

The Municipality may spend money for municipal purposes in accordance with section 79A of the HRM Charter. The recommended contract award complies with all the pre-requisites for awarding contracts as set out in section 34 of Administrative Order 2016-005-ADM, the *Procurement Administrative Order*. Section 36 of the *Procurement Administrative Order*, provides that Halifax Regional Council may approve contract awards of any amount.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award RFP 19-348 for up to 150 buses over a three-year period with option to renew for up to 40 additional buses over two additional one-year periods to the highest scoring proponent, Nova Bus Ltd;
2. Authorize a total purchase of \$19,517,340 (net HST included) with funding from CM200006 – Conventional Bus Replacement and \$3,252,890 (net HST included) from CM180008 – Moving Forward Together Plan for the purchase of 35 buses as outlined in the Financial Implications section of this report.
3. Authorize staff to purchase up to a total of 87 - 12.2-meter Transit Buses in years two and three of the agreement with funding from CM200006 – Conventional Bus Replacement and CM180008 – Moving Forward Together Plan, subject to approval of the 2021/2022 and 2022/2023 Project Budgets by Halifax Regional Council.

BACKGROUND

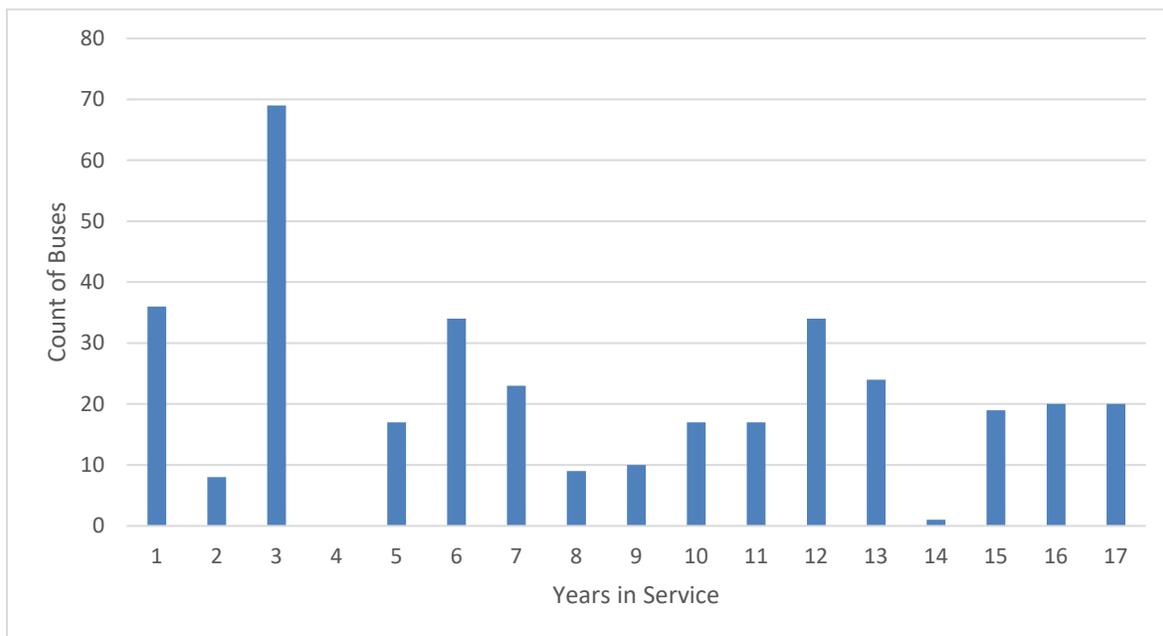
The contract to supply and deliver up to 60 Buses over a three-year period with a two-year extension (RFP15-344) concluded with the delivery of 35 conventional buses in September of 2019. In total, the contract covered the purchase and delivery of a total of 127 buses to meet the needs of fleet expansion and replacement.

As a result of the prior contract winding up, Halifax Transit initiated an RFP process in fall of 2019 with the objective of identifying a new supplier of conventional transit buses.

Changes to Halifax's conventional bus specification have been modest over the contract period, with some of the most impactful being:

- Fabric seat inserts are now being used instead of plastic seating inserts;
- A Q'Pod integrated wheelchair securement system is being built into the street and curb side of every bus;
- The Obsolete CCTV system has been replaced with current technology;
- Technology systems such as Automated Vehicle Location, Automated Passenger Counter and Stop Annunciation that have been introduced into the fleet since 2015 are now incorporated into bus builds; and
- Specification of Allison's B3400xFe Transmission with *Fuelsense 2.0* electronic controls to maximize fuel efficiency and serviceability.

Halifax Transit currently targets to replace conventional transit buses after 14 years of service, with the intent of optimizing asset utilization, increasing service reliability and replacing buses when it is most economically sensible. Individual replacement decisions are made based on funding availability and asset condition assessments. At present, the age of the conventional transit fleet is as follows:



Replacement of the buses identified as beyond their useful asset lifecycle and purchasing new buses to complete service expansion will be required for Halifax to meet the goals set forth in the Moving Forward Together Plan.

DISCUSSION

RFP 19-348 *Supply and Deliver Up To One Hundred Fifty (150) 12.2m Transit Buses Over a Three (3) Year Period* was posted on December 13, 2019 and closed on Friday, February 21 2020. It called for the supply of up to 150 transit buses over the first three years of the contract. There are also provisions for two optional extension years, each having a maximum order of 40 buses.

Submissions were received from the following two proponents:

1. Nova Bus Ltd.*
2. New Flyer Industries

*Recommended proponent.

The proposal submissions were evaluated by staff from Halifax Transit, and facilitated by Procurement. Proposals were evaluated in five key areas: (1) Technical compliance with the RFP, (2) Miscellaneous (3) Operating (4) Bus Operations and (5) Costs.

The RFP was evaluated using a two-envelope process. Envelope one was the technical component of the RFP. Envelope two consisted of the lump sum project cost for this project. Only those proponents that received 75% or better on the Technical Submission (52.5 points out of a maximum score of 70 points) from envelope one, had their cost envelopes opened and evaluated.

After completion of the envelope one process, the submissions from both proponents met the required 75% on the Technical Submission, as per the Terms and Conditions of the RFP, and had their cost envelope opened.

FINANCIAL IMPLICATIONS

Based on the highest scoring proponent's unit cost of \$650,578 (net HST included) for the first three contract years, funding is available in the approved 2020-2021 Capital Budget from capital account CM200006 (formerly CV020006) – Conventional Bus Replacement and CM180008 – Moving Forward Together Plan Implementation. These projects were part of the capital advanced tender requests approved by Regional Council Nov. 26, 2019. Budget availability has been approved by Finance.

Budget Summary:

Capital Account No. CM200006 (formerly CV020006) – Conventional Bus Replacement

Cumulative Uncommitted Budget:	\$ 20,553,355
Less: RFP No. 19-348 (30 vehicles):	\$ 19,517,340
Balance	\$ 1,036,015

Capital Account No. CM180008 – Moving Forward Together Plan Implementation

Cumulative Uncommitted Budget:	\$ 16,905,017
Less: RFP No. 19-348 (5 vehicles):	\$ 3,252,890
Balance	\$ 13,652,127

Subject to Regional Council approval, the balance of funds will be used to complete the Fleet Vehicle Replacement Program through subsequent budget cycles. The purchase of up to 87, 12.2 meter transit buses in years two and three of the agreement will be subject to the approval of the applicable Project Budgets by Halifax Regional Council and continual review of the fleet replacement forecast by Halifax Transit staff.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks considered rate low.

The recommended vendor is financially solvent having operated in the province of Quebec since 1979. Nova Bus Ltd. has provided documentation within their submission to support this assertion. At present there are 183 Nova Bus vehicles in active service in the Halifax Transit Fleet.

ENVIRONMENTAL IMPLICATIONS

The buses purchased through this contract will be used to immediately replace vehicles that are at a minimum 14 years old. Some of these vehicles currently in operation do not have diesel particulate filters or other modern emissions control systems, and as a result their replacement will result in a significant reduction in GHGs at an individual asset level.

In addition, Halifax Transit has made the decision to equip new buses with the next-generation Allison Transmission controls, which is forecast to result in minor improvements in fuel economy over the standard B400 unit.

Halifax Transit is currently working towards a sustainable fuels strategy that is forecast to result in the total elimination of diesel-powered buses from the service in the long term. Procurement of the buses used to complete the fleet transformation will be via a separate contract from this 'Business-As-Usual' supply contract.

ALTERNATIVES

Council could choose to defer the procurement recommendations. This alternative is not recommended as the older stock of vehicles exhibit high downtime, are costly to maintain and are not environmentally-friendly.

Deferral will also jeopardize Halifax Transit's ability to meet established goals related to service expansion, service reliability and maintenance costs.

ATTACHMENTS

None.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Jacqueline Pepper, Business Analyst- Asset Management & Control, 902.490.8669

Report Approved by: Original Signed
William Cutler, Manager, Bus Maintenance, 902.490.6916

Procurement Review: Original Signed
Jane Pryor, Manager, Procurement, 902.490.4200

Report Approved by: Original Signed
Dave Reage, Director, Halifax Transit, 902.490.5138