City of Richmond

Report to Committee

To:	Public Works and Transportation Committee	**Date:**	April 3, 2017
From:	Tom Stewart, AScT. Director, Public Works Operations	**File:**	02-0735-01/2017-Vol 01
Re:	**Standardization of City's Single and Tandem Axle Vehicle Fleet**		

Staff Recommendation

1. That the Peterbilt make be adopted as the standard for future single and tandem axle cab and chassis vehicle requirements;

2. That staff be authorized to competitively bid directly with Peterbilt dealers to obtain best value; and

3. That the Peterbilt make standard for the cab and chassis components of the City's single and tandem axle vehicle fleet be reviewed after five years or sooner if the City does not receive competitive bids in order to evaluate suitability in relation to overall best value.

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REPORT CONCURRENCE		
ROUTED TO:	**CONCURRENCE**	**CONCURRENCE OF GENERAL MANAGER**
Finance Department	☑	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	**INITIALS:** CS	**APPROVED BY CAO**

Staff Report

Origin

This report seeks Council approval to adopt the Peterbilt make as the City standard for its single and tandem axle cab and chassis vehicle requirements. Standardization for this facet only of the City's trucking fleet will enable economies of scale in parts standardization, tooling, maintenance and vehicle operations.

This report supports Council's 2014-2018 Term Goal #6 Quality Infrastructure Networks:

> *Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.*
>
> *6.1. Safe and sustainable infrastructure.*

Background

Recent multiple competitive bids issued to the marketplace for single axle and tandem axle dump truck replacements have consistently resulted in the Peterbilt make winning the bid through evaluation by providing best value to the City in the areas of:

- Product quality
- Dealership support
- Dependability/reliability
- Overall operational performance

Further, due to their quality make, Peterbilt also offer high trade-in values at the end of their lifecycle.

The City currently has four Peterbilt units in the fleet (dump truck units 1454, 1455, 1668 and 1768), with an additional two units recently approved for award (replacement for units 1165 and 1278). The existing units have provided exceptional value in terms of performance and contribute to operational efficiency and effectiveness through minimal to no downtime; reduced maintenance requirements; consistency in application and use by operators; interchangeability of attachments and overall fuel efficiency.

Analysis

The City's large truck fleet is currently made up of four single-axle dump trucks, six tandem axle dump trucks, a flusher truck, a crane truck, two sweepers and three hydro excavation trucks. Staff propose to standardize to Peterbilt and offer an opportunity to bid on the cab and chassis components of these units as they become eligible for replacement (due to age, condition, etc.) to Peterbilt dealers. Vehicle outfitting (dump boxes, sanding/salting inserts, deck components, hydro excavation equipment, etc.) would be acquired through the regular competitive bid process.

Standardizing the cab and chassis components of the truck fleet offers a number of benefits, including:

- *Redundancy* – professional driver/operator training in vehicle operation is able to be standardized.
- *Maintenance* – vehicle maintenance is able to be managed more efficiently on standardized units. This includes the ability to standardize training for the City's mechanics who service these units.
- *Inventory* – parts and tooling inventory is able to be standardized, which helps to achieve economies of scale and improved efficiency in vehicle maintenance aspects, i.e. reduces the need to store a wider variety of parts for different makes.
- *Parts Interchangeability* – Various components, such as those used for snow response operations, are able to be exchanged between units (where required) to maximize vehicle uptime during key operational response priorities/events.
- *Engine Performance* – the Peterbilt is a quality design engine, suited to the demands of Public Works/Parks maintenance and construction projects.

Fleet and Purchasing staff would ensure standard purchasing protocols are followed to achieve best value through competitive bidding with the two local Peterbilt dealers, and any and all Peterbilt dealers that wish to participate in the process.

Environmental Impact

Replacement of the types of vehicles noted in this report with newer engine technology will result in lower Greenhouse Gas Emissions, thereby contributing to the goals and objectives of the City's Green Fleet Action Plan, which establishes a 2% annual reduction in overall fuel-related emissions.

Financial Impact

All vehicle/truck replacements are identified as part of the annual Fleet Vehicle Equipment Reserve capital program. Only those units which are approved as part of the annual capital program will be acquired under the proposed approach.

The Peterbilt make typically has a higher acquisition cost (approximately 15%). However, when trade-in value, maintenance and other operational costs are considered over the 10-year lifecycle of the units, the Peterbilt make offers approximately 45% savings over other makes.

Conclusion

This report proposes that the City's large truck fleet (dump trucks, vactors, etc.) be standardized to the Peterbilt make due to their reliability, quality make and overall best value as demonstrated through experience with existing Peterbilts in the City's fleet. Purchasing protocols to ensure best value will continue to be applied in competitive bidding with local and all Peterbilt dealers.

A five-year timeframe is proposed, after which this approach will be reviewed to determine if the City's needs and best value requirements are continuing to be met. Staff will report back at the end of the five-year period should it be recommended to continue beyond that timeframe.

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