



# REPORT

To: Chair and Directors

Report Number: ENV-BRD-136

From: Kari Bondaroff, General Manager of Environmental Services

Date: April 20, 2023

**Subject: 2023 Fleet Purchase Contract Award**

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## **RECOMMENDATION: [Corporate Weighted]**

That the Regional Board award Request for Proposal 48-2023 “PRRD Fleet Purchase and Replacement” to Bannister Chevrolet Buick GMC Dawson Creek LTD at a capital cost of \$124,188 (excluding taxes); further, that the Chair and Chief Administrative Officer be authorized to sign the agreement on behalf of the Peace River Regional District.

## **BACKGROUND/RATIONALE:**

On October 13, 2022, Regional Board passed the following resolution:

*MOVED, SECONDED, and CARRIED*

*That the Regional Board approve the 2023 fleet allocation and capital budget pre-approval, which includes the 2023 supplemental requests to replace Unit 24, 2017 Chevrolet Sierra, with a one tonne 4x4 truck, and the addition of one 7-seat hybrid 4x4 SUV, at a combined cost for both vehicles not to exceed \$140,000 (excluding taxes), to be included in the 2023-2027 PRRD Financial Plan.*

Fleet is an essential asset management aspect of the Peace River Regional District (PRRD). A fleet management plan has been developed that allows for preventative maintenance, extended warranty, and reserve replacement funds to allow for a secured replacement turnaround schedule of 5 years for general fleet vehicles, 8 years for the cargo van, and 10 years for the trailers. With a defined lifespan for each of the vehicles, the organization will realize both an increase in value retention and a decrease in repair costs in current and future years.

A Request for Proposals (RFP) to purchase fleet units was issued in November and closed in December 2022; no bids were received due to the dealerships not having secured pricing for 2023 fleet. It was also determined that there are no options for fleet vehicles for purchase that are electric/gas combined SUVs which can be serviced within the Peace Region. As such, this portion of the RFP was updated to allow for energy efficient SUVs in order to better the options presented by Peace Region dealerships. Based on the recommendations by the dealerships on pricing availability, the RFP was re-issued in February. One proposal was received for the purchase of one 2023 1-ton crew cab; however, this vehicle did not meet the requirements and the bid did not include the SUV.

Following the Procurement Policy unsuccessful contract awards through public procurement, the dealership that bid was notified of the unsuccessful award. Bannister Chevrolet Buick GMC Dawson Creek LTD is the only local dealership to have continued to show a willingness to provide suitable fleet

vehicles to meet the PRRD's requirements. The quoted vehicles meet the requirements outlined within the RFPs and include operational maintenance and extended warranty packages within budget. However, the original intention was to purchase a hybrid vehicle. It should be noted that the SUV quoted is an 8-seater energy efficient vehicle, not a hybrid.

**ALTERNATIVE OPTIONS:**

1. That the Regional Board provide further direction.

**STRATEGIC PLAN RELEVANCE:**

- Asset and Infrastructure Management

**FINANCIAL CONSIDERATION(S):**

The total 2023 capital budget includes \$140,000 (excluding taxes) for the replacement of unit 24 and the addition of a 7-seater SUV. The total expenditure required within this RFP is \$124,188 (excluding taxes).

The trade-in purchases are not directly deducted from the purchase price. The trade-in revenue is allocated to the depreciation of the vehicles within the finance process. Any additional revenue unused from the depreciation will be brought in as capital revenue in 2024.

The contract award will also include the addition of operational maintenance and extended warranty packages, as requested in both issued RFPs. These costs are within the approved 2023 Financial Plan for Function 160.

**COMMUNICATIONS CONSIDERATION(S):**

None at this time.

**OTHER CONSIDERATION(S):**

None at this time.