

HALIFAX

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Item No. 15.1.1
Halifax Regional Council
April 16, 2019

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: March 6, 2019

SUBJECT: Council Award - Sole Source Contract - Garival - Farebox Purchase

ORIGIN

Halifax Regional Council approved the motion below during meeting held on February 12, 2019:

1. Approve an increase to the contract with Nova Bus Ltd. for the supply of 12.2 m conventional buses from 100 buses to 127 buses, as per the terms and conditions outlined in the staff report dated December 20, 2018.
2. Approve the transfer of approved funding in the amount of \$400,000 from capital Project Account No. CV020006 (conventional Bus Replacement) to Project Account No. CM180008 (Moving Forward Together Plan Implementation).
3. Authorize a total purchase of \$22,732,980 (net HST included) with funding from CM180008 (Moving Forward Together Plan Implementation) and CV020006 (Conventional Bus Replacement) for 35 vehicles as outlined in the financial implications section of the staff report dated December 20, 2018, to enable January purchase of conventional transit buses in line with the targets set forth in the multi-year plan.

The purchase of these buses will require twelve new fareboxes for use on the expansion fleet.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79(1)(o) Halifax Regional Council may expend money for public transportation services.

Section 25(3)(b) of the *Procurement Administrative Order* provides that a sole source purchase may occur

- (a) to ensure compatibility with existing goods, or
- (b) there is an absence of competition for technical reasons and the goods can only be provided by a particular supplier and no alternative or substitute exists.

Article 513.1.b of the Canadian Free Trade Agreement allows for limited tendering (sole sourcing) where the goods can only be provided by a particular supplier and no reasonable alternatives or substitute goods exists

- (iii) due to a lack of competition for technical reasons, or
- (v) to ensure compatibility with existing goods.

The recommended contract award complies with all of 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 sole source contract awards of any amount.

RECOMMENDATION

It is recommended that Halifax Regional Council approve the Sole Source Purchase of GFI Genfare fareboxes in the amount of \$142,685 (freight & net HST included) to Garival. This will be funded from CV020006, Conventional Bus Replacement, as outlined in the Financial Implications section of this report.

BACKGROUND

Halifax Transit will be receiving thirty-five buses in the year 2019. Twenty-three of these buses are replacement buses and twelve of them are expansion buses that are supplied without a farebox unit installed and are provided by the Original Equipment Manufacturer (OEM), NovaBus.

Purchasing these twelve new units from Garival will ensure that the fleet is equipped with similar units.

DISCUSSION

The sole source purchase of the additional fareboxes is required to ensure that all of the expansion vehicles are equipped with and configured in the same manner as the rest of the bus fleet. This purchase provides Halifax Transit the opportunity to avoid any delay in the 'in-service date' of these expansion buses. The expansion buses are scheduled to enter into service in November 2019 as part of the roll out of the Moving Forward Together Plan, as approved by Regional Council through the 2019/20 Halifax Transit Annual Service Plan. Service expansion planned for this year includes significant service expansion in the communities of Sackville and Bedford. It is possible that, without the purchase of additional fareboxes, these new expansion vehicles will be unable to enter into service on time to provide the new service.

Garival is the exclusive Canadian sales agent for GFI Genfare and are a major supplier of fareboxes and after-service in Ontario, Quebec and Atlantic Canada. There are no other companies currently distributing or servicing the GFI Genfare farebox solution in Canada.

The immediate need is to purchase twelve (12) fareboxes at a cost of \$142,685 (freight & net HST included). This is a long lead item and a delay in ordering may also result in additional expediting costs.

FINANCIAL IMPLICATIONS

Based on the quoted price of \$136,320, plus freight \$500 & net HST of \$5,865, for a net total of \$142,685, funding is available in project account CV020006, Conventional Bus Replacement.

Budget Summary:	<u>Project Account No. CV020006</u>	
	Cumulative Unspent Budget	\$1,091,465
	Less: Sole Source award	<u>\$142,685</u>
	Balance	\$948,780

RISK CONSIDERATION

Not proceeding with the recommendation will result in a possible delay in the 'in-service date' of the expansion buses. Delivery of the fareboxes requires a 4 month lead time, if not ordered by April 30, 2019, additional expediting costs may be incurred to avoid delays.

ENVIRONMENTAL IMPLICATIONS

There are no implications.

ALTERNATIVES

There are no recommended alternatives.

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.

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