
Grande West Transportation International Ltd. – Vicinity Bus Parts Supply – Blanket Purchase Order

Recommendation

That the Standing Policy Committee on Transportation recommend to City Council:

1. That the Administration prepare a blanket purchase order with Grande West Transportation International Ltd. for the supply of parts for the City's Vicinity bus fleet for the next five years, with an upset limit of \$100,000 (including taxes) per year; and
2. That Purchasing Services issue the appropriate blanket purchase order.

Topic and Purpose

The purpose of this report is to request approval for a blanket purchase order with Grande West Transportation International Ltd. for the supply of parts for the City's new Vicinity bus fleet.

Report Highlights

1. A blanket purchase is the procurement approach that is best suited for the purchase of propriety parts.
2. Grande West Transportation International Ltd. is the sole supplier of a number of parts required for the new Vicinity bus fleet.

Strategic Goal

This report supports the Strategic Goal of Continuous Improvement by standardizing repair and service for buses and establishing multi-year blanket purchase orders.

Background

On September 20, 2016, tenders for Saskatoon Transit's 30 foot bus fleet were opened. The only bidder was Grande West Transportation International Ltd. Between the dates of March 3 and 11, 2018, the four 2017 and four 2018 model buses were delivered to Saskatoon Transit. With these vehicles being from a new and different manufacturer, a new separate parts supply blanket order is required.

Report

Blanket Purchase Order

Blanket purchase orders will allow Saskatoon Transit to reduce the administrative time spent raising and managing individual purchase orders. This approach will give the Administration the best opportunity to reduce unit costs and obtain the benefit of bulk pricing discounts by combining a number of smaller purchases into a single larger contract.

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Grande West Transportation International Ltd. is the Sole Supplier

Similar to the blanket purchase orders in place for Nova Bus and New Flyer Industries for brand specific parts, Saskatoon Transit requires a blanket purchase order for the newly acquired Vicinity buses. While there will be opportunity to source some of the mechanical components through other vendors, Grande West Transportation International Ltd. will have proprietary rights to several other components. This blanket purchase order will allow the Administration to source these parts, and accept bids on other parts from Grande West Transportation International Ltd. in larger volumes and again save on administration time and costs.

Options to the Recommendation

Parts could be sole sourced individually rather than the proposed blanket purchase order. However, with Grande West Transportation International Ltd. being the sole supplier of a number of parts on the Vicinity bus, the most advantageous approach is to secure the blanket purchase order and negotiate prices directly with the supplier.

Policy Implications

Awarding a blanket purchase order to Grande West Transportation International Ltd. is consistent with Section 4.3(a and b) of the Policy C02-030 – Purchase of Goods, Services and Work, as Grande West Transportation International Ltd. has proprietary rights to these parts and are the sole distributor.

Financial Implications

Funds for this purchase are available in the Saskatoon Transit maintenance 2018 Operating Budget and will be subject to funding approval in future years.

Other Considerations/Implications

There are no public and/or stakeholder involvement, communication, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

This blanket purchase order should be in place by June 1, 2018 with an option to extend the blanket for four additional years, provided the supplier provides acceptable pricing and maintains status as the sole supplier.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

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