



Light Duty Vehicles Procurement

2021 CIPMM Fleet Management Workshop

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Topics of Discussion

- Light duty vehicles procurement process for the Government of Canada
- Changes to the 2021 Government Motor Vehicle Ordering Guide (Ref [GCPedia](#) site included in our signature block)
- Executive vehicles insurance
- Fleet Management Services and Support (ARI)



Light duty vehicles procurement process for the Government of Canada

- Light Duty Vehicles are purchased directly from manufacturers through Standing Offer agreements.
- Standing Offers are awarded, managed and renewed on a yearly basis following vehicle model year cycles (September).
- These Standing Offers are made available to all government departments and agencies.

Overview of light duty vehicles procurement for the Government of Canada

The light duty vehicles tool include:

- Fleet vehicles profiles from compact sedans to 1-ton pick-up trucks (Ref:GMVOG [GCPedia](#))
- The executive vehicles listing (Ref [GCPedia](#))
- Law enforcement specific vehicles
- Vehicles equipped with all types of powertrains available in the market including
 - Internal Combustion Engine Vehicles (ICE)
 - Hybrid Electric Vehicles (HEV)
 - Plug-in Hybrid Electric Vehicles (PHEV)
 - Battery Electric Vehicles (BEV)
 - Hydrogen Fuel Cell Electric Vehicles (FCEV)

Overview of light duty vehicles procurement for the Government of Canada

- Significant efforts are made to ensure that these standing offers meet the green targets and requirements initiatives of the Federal Departments and Agencies, by incorporating the latest technologies available in the Canadian market. This year we have increased by 50% the number of green vehicles available.
- PSPC hosts an annual fleet manager's meeting to better understand the requirements and green targets of Federal Departments and Agencies.
- PSPC engages with industry on a yearly basis to convey the requirements of the GC fleet based on client feedback and departments environment mandates. This year we have been able to add two (2) new suppliers (KIA, Tesla)
- PSPC actively participates in various committees related to fleet management and policy, including green initiative meetings.
- PSPC serves as the intermediary between suppliers and Federal Departments and Agencies, and provides guidance in matters related to policy and procurement.



Procurement challenges affected by the automotive industry crisis

- The global chip (semi-conductors) shortage is now being addressed and production should return towards normal in 2022-23.
- Most 2022 models available under the new standing offer (2022 GMVOG) should experience no or minor production shortages, but there will be delays with delivery.
- Consequently, departments should place their orders as soon as possible in order to ensure delivery before fiscal year end.
- 54 green vehicles are available on the standing offer while 20 of them are still available to meet FYE delivery and
- Departments are encouraged to consider options for (i) expediting early approval of fleet capital budgets and procurement plans, and (ii) enabling fleet managers to carry over capital budget amounts for green fleet orders that can't be delivered before fiscal year end.

Green vehicles to meet green targets

- The 2022 GMVOG has many more ZEVs and HEVs available than the past one, over 50% more.

VIN Vehicle Type	Vehicle Spec	Hybrid Electric Vehicle (OHEV, 1HEV)	Plug-in Hybrid Electric Vehicle (OPHEV, 1PHEV)	Battery Electric Vehicle (BEV, BEVX)	Hydrogen or Fuel Cell Vehicle (FCEV)	Total ZEV or Hybrid 2021/22	Total ZEV or Hybrid 2020/21	Total ZEV or Hybrid 2019/20
Executive fleet	EX	16	6	7	1	30	21	12
PASSENGER CAR	D & H	5	6	9	1	21	7	2
MULTI-PURPOSE VEHICLE	L & G's	4	6	6		16	11	3
VAN	M & T	2	1			3	1	1
PICK-UP TRUCK	Q's	3		3		6	1	
RCMP vehicles	part V	2		1		3	2	1
Fleet only		16	13	19	1	49	22	7
TOTAL (incl.exec)		32	19	26	2	79	43	19

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Green vehicles purchased as of September

- From September to November 04th we have purchased more than 146 green vehicles on a total of 440 to date (30%)
- 95 of these green vehicles are purchased by DND, RCMP and Border Services.
- 54 green vehicles are actually available on the standing offer while 20 of these green vehicles are still available for the delivery before fiscal year end when ordered now.

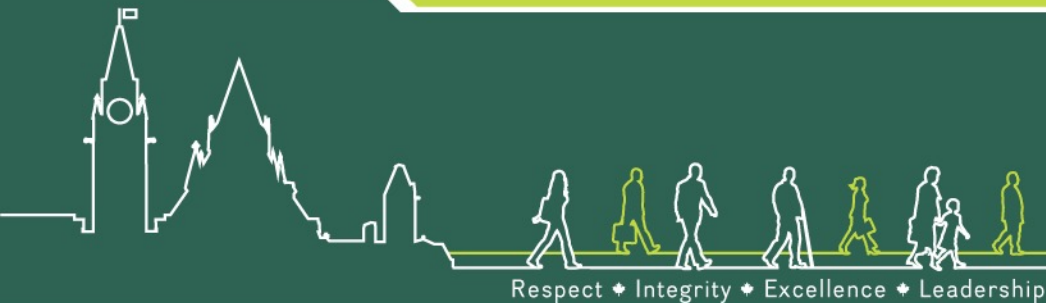
Executive Vehicles Insurance

- PSPC also manages the insurance for executive vehicles.
- PSPC pays for insurance costs at the beginning of the fiscal year and invoices departments at the end of the fiscal year.
- When a vehicle is transferred, sold, re-assigned, or if a driver is added or removed an insurance change form must be provided to PSPC.
- The forms are used to notify the insurer of a change, and to track insurance periods for each vehicle and department, ensuring accurate invoicing at the end of the year.
- The form is available on our [website](#).



Fleet Management Services and Support (ARI)

- A National Master Standing Offer has been issued to ARI and includes:
 - The provision of fleet cards and ARI MasterCard's for the payment of fuel and maintenance expenses.
 - Access to Fleet Management Information System (ARI insights)
 - Vehicle Maintenance Level 1 and 2 programs
 - Telematics and Analytics services
 - Pool management and reservation system
 - Emergency roadside assistance program
 - Preventive Maintenance Program
 - Accident Management Program and many more
 - You can access the Standing Offer on the SOSA app [here](#).



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CANADIANS.

Greening the Commercial Fleet

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Commercial Fleet Electrification

- The federal government is working to reduce emissions from all parts of its fleet and is exploring ZEV options for its commercial vehicles, such as medium, heavy duty trucks and passenger buses.



Meeting Commitments

PSPC Mandate Letter Commitment: “Explore measures that support the conversion of Government fleets to zero-emission vehicles.” To achieve this, the Procurement Branch:

- Published RFIs for electric buses and electric medium and heavy duty trucks. Both RFIs received multiple responses and assisted in the creation of the Electric Medium and Heavy Duty Truck and Electric Passenger Bus Request for Supply Arrangements.
- Awarded two Supply Arrangements on the Electric Bus Request for Supply Arrangement for Group one Electric Accessible Shuttle Buses. Winning companies are Lion Electric and Vicinity Motor Corporation.

Electric Accessible Shuttle Bus



Electric School/Activity Bus



Electric Commuter Bus



What's Next



- Consultations with the Passenger Bus suppliers to establish any requirements in the specifications that may restrict suppliers ability to bid.
- Align the specifications to allow the most suppliers with available buses in these groups or potentially other categories to submit.



What's next



- At the first round of evaluations, PSPC did not receive responses to the Request for Supply Arrangement for Electric Medium and Heavy Duty Trucks.
- Ongoing engagement with Industry in an effort to determine what precluded suppliers from submitting responses. Once we identify issues with the specification we will modify our documents to ensure they are open to all suppliers in these categories of trucks.

Challenges

- The main challenges:
- the availability of green vehicle options in the Canadian market
- the initial premium cost of the vehicle and the infrastructure as well as the increased requirements on the power grid
- the insufficient charging infrastructure for commercial vehicles
- keeping up with the lithium ion battery technology changes (energy density is improving by 5-8% per year).
- In most cases, electric vehicles are new for customers and training is necessary to help bridge the knowledge gap from diesel to electric. Training will be required for a wide range of industry stakeholders such as drivers, mechanics, technicians, business officials, and transportation professionals.

Questions

