



## ADMINISTRATIVE REPORT

Report Date: November 21, 2011  
Contact: Jim Bornholdt  
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VanRIMS No.: 08-2000-20  
Meeting Date: November 29, 2011

TO: Vancouver City Council  
FROM: Chief Purchasing Official  
SUBJECT: Bid Committee Award

### ***RECOMMENDATION***

THAT Council receive the report for information.

### ***GENERAL MANAGER'S COMMENTS***

The General Manager of Financial Services Group RECOMMENDS that Council receive the foregoing.

### ***CITY MANAGER'S COMMENTS***

The City Manager RECOMMENDS that Council receive the foregoing.

### ***COUNCIL POLICY***

This Administrative Report is submitted pursuant to Procurement Policy number AF-015-01.

### ***PURPOSE***

This Procurement report is submitted for Council's information.

### ***BACKGROUND***

The Bid Committee was established under Section 12 of the Procurement Policy.

The Bid Committee is represented by the City Manager, the Director of Finance and any General Manager whose budget will be totally or partially funding the contract award that is before the Bid Committee at any given meeting.

The Bid Committee is authorized to make a contract award in respect of a bid call for contracts whose value is between \$500,000 and \$2,000,000 provided that the Chief Purchasing Official after consultation with the voting General Manager has recommended the award and all voting members of the Bid Committee who are present at the meeting vote in favour of the award.

City Council authorizes the Bid Committee to exercise the power of Council to make an award in the following circumstances:

- If, during the period between the last scheduled meeting of Council and the first meeting of a new Council after an election, no Council meetings are scheduled or held; and
- the goods, services or construction are urgently required and delay would be injurious to the public interest as determined by the City Manager; and
- The total purchase price of the contract is greater than \$2,000,000.

If the Bid Committee makes contract awards under this policy, the awards will be reported by the Chief Purchasing Official to Council.

### ***DISCUSSION***

The following contract award was approved by the Bid Committee during the period between the last scheduled meeting of Council and the first meeting after an election in accordance with the Procurement policy:

#### **1. Supply & Delivery of Gasoline, Diesel, Bio-diesel and Fuels (as and when required)**

Incumbent Vendor / Contract Expiry date: Chevron Canada Limited / November 30, 2011

Competitive Request for Proposals PS11122

Bid Committee approval date: November 18, 2011

Number of bids received: 2

Successful vendor: Chevron Canada Limited

Contract value: \$17,395,107 (Forecast three year spend based on actual historic rates of fuel consumption and new fuel fees)

Savings: \$148,710 (Estimated over three year term compared to current contract pricing)

Contract term: 3 years

Funding source: Approved 2011 Operating and Capital Budgets

Other comments: The City of Vancouver led this competitive procurement activity on behalf of the British Columbia Petroleum Buying Group (BCPPBG) which consists of sixty-six local regional and municipal government and school board members across the Province of British Columbia. By going to market for the purchase of a total of approximately thirty seven million (37,000,000) litres of product consumed annually by BCPPBG members, the City was able to use this as leverage to secure the procurement savings from previous contract pricing as described above. In addition, as an environmental sustainability initiative, the City has negotiated for the supply of bio-diesel fuel blends under the contract.

*FINANCIAL IMPLICATIONS*

As indicated, City funding for each contract is provided from approved operating and capital budgets.

*CONCLUSION*

On the basis of the information provided herein, the adoption of this report is recommended.

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