



## ADMINISTRATIVE REPORT

Report Date: September 13, 2013  
Contact: Nick Kassam  
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Meeting Date: September 25, 2013

TO: Standing Committee on City Finance and Services

FROM: General Manager of Engineering, General Manager Financial Services and Chief Purchasing Official

SUBJECT: Contract Award for the Supply and Delivery of Electrical Supplies

### **RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate, to the satisfaction of the City's General Manager of Engineering, Director of Legal Services, General Manager of Financial Services Group and Chief Purchasing Official, and enter into, a contract with Wesco Distribution Canada LP for the supply and delivery of electrical supplies, with a term of three years (and with the option to extend for two additional one-year periods), with an estimated contract value of \$4,100,000 over the initial three-year term, to be funded through the annual capital and operating budget process.
- B. THAT the Director of Legal Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the Director of Legal Services.

### **REPORT SUMMARY**

The City issued a Request for Proposal (RFP-PS20120756) for the supply and delivery of electrical supplies (the "RFP"). City staff on the RFP evaluation committee, and subsequently the Bid Committee, have considered the proposals received and on that basis, recommend that the City negotiate and, if such negotiations are successful, enter into a contract as described above with Wesco Distribution Canada LP.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

The City's Procurement Policy requires that contracts with values over \$2 million must be approved by Council following review and recommendation by the Bid Committee. The Bid Committee has considered and approved Wesco Distribution Canada LP as the successful proponent.

## **REPORT**

### ***Background/Context***

The City currently purchases a variety of electrical supplies, which are used for an assortment of applications, in order to run and maintain the City's street electrical infrastructure and telecommunication operations. Electrical supplies include:

- wire & cable;
- traffic control electrical products;
- conduit;
- telecommunication and networking products; and
- miscellaneous items such as breakers, cable clamps, connectors, fuses, shrink tubing, electrical tape and twine

The purpose of the RFP was to seek suppliers with the capability to supply the City's estimated demand over the term of the proposed contract with competitive pricing, together with the best quality, services, innovation, and environmental or sustainability solutions, among other factors, and to consolidate the vendor base for effective contract and supplier management, with a focus on delivering the overall best value to the City.

### ***Strategic Analysis***

The RFP was issued in accordance with the City's Procurement Policy and it was publically posted on BC Bid and City of Vancouver website. The City received proposals from thirteen vendors in response to the RFP. The proposals were evaluated under the stewardship of Supply Chain Management to ascertain which offered the best overall value to the City through the work of an evaluation team comprised of representatives from various departments throughout the City. In determining which proposals offered the best overall value to the City, both quantitative and qualitative factors such as price, product and service offerings, business technology and sustainability were considered, among other factors.

Some of the criteria considered in the overall evaluation process included:

- Financial offerings;
- Ability to offer quality products;
- Comprehensiveness of inventory management systems;

- Demonstrated service levels in areas such as: operations and logistics, surplus/obsolete products solutions, returns and restocking, and quality assurance programs, and general responsiveness and efficiency of customer service;
- Ability to provide business technology solutions which incorporate electronic billing and payment options, reporting and on-line ordering; and
- Demonstrated ability to adhere to the City's values, including environmental, sustainability and innovation.

Based on the overall evaluation, the team concluded that the proposal submitted by Wesco Distribution Canada LP met the City's requirements and provided best overall value to the City.

### ***Financial***

Finance has reviewed the financial information and confirmed that funding is available from the annual operational and capital budgets of the various departments requiring the supply and delivery of electrical supplies. As a result of the RFP process, the City was able to achieve cost certainty during the contract term and gain process efficiencies through consolidation of contracts which resulted in forecasted savings of approximately \$97,000 per year based on our historical spend.

### ***CONCLUSION***

In summary, City staff recommend that the City of Vancouver negotiate and enter into a three-year contract, with the option to extend for two additional one-year terms, with Wesco Distribution Canada LP for the supply and delivery of electrical supplies. Wesco Distribution Canada LP offers the best overall value to the City.

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