



## ADMINISTRATIVE REPORT

Report Date: April 22, 2016  
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Meeting Date: May 18, 2016

TO: Standing Committee on City Finance and Services  
FROM: General Manager of Engineering Services and Chief Purchasing Official  
SUBJECT: Contract Award for Asphalt Milling Services

### **RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering Services, City's Director of Legal Services, and the City's Chief Purchasing Official and enter into three separate contracts with the following contractors:
- B.A. Blacktop as Contractor A (primary contractor) to provide two meter grinders for asphalt milling services; estimated contract value \$2,119,104;
  - Lafarge Canada as Contractor A (primary contractor) to provide one meter grinders for asphalt milling services; estimated contract value \$98,595; and as Contractor B (secondary contractor) to provide two meter grinders for asphalt milling services; to be used only when Contractor A for two meter grinders is unavailable; and
  - Tarmac Grinding as Contractor B (secondary contractor) to provide one meter grinders for asphalt milling services; to be used when Contractor A for one meter grinders is unavailable.

The contracts with the above vendors will be for a term of three years, with the option to extend for two additional one year terms, with an estimated combined contract value of \$2,217,699 plus applicable taxes over the initial three-year term, to be funded through the annual Operating Budget and street paving capital budgets. (Operating 25% and Capital 75%).

- B. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of Engineering 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 authorized signatories of the City as set out in these Recommendations.

## **REPORT SUMMARY**

The City issued a RFP PS20150522 (RFP) on December 10<sup>th</sup>, 2015 for asphalt milling services for two meter and one meter grinders with operator, mobilization, and sweeping services on an “as, if, and when needed” basis. The RFP was advertised on the City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City’s Procurement Policy AF-015-01. City staff on the RFP evaluation committee, and subsequently the Bid Committee, have considered the responses received, and on that basis recommend that the City negotiate, and if such negotiations are successful, enter into a contract as describe above with B.A. Blacktop, Lafarge Canada and Tarmac Grinding.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

The City’s Procurement Policy AF-015-01 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommends B.A. Blacktop, Lafarge Canada and Tarmac Grinding as the successful proponents as described in Recommendation A.

## **REPORT**

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

The City’s Department of Engineering Services - Streets Operations Branch (Streets) has an on-going operational need for asphalt milling services. Asphalt milling is the process by which pavement is mechanically removed by rotating drums in grinder machines in order to eliminate the deficiencies in the surface prior to paving. Streets requires two meter and one meter grinders with operator, mobilization, and sweeping services on an “as, if, and when needed” basis.

The purpose of the RFP was to identify contractors who could meet the City’s demand and service requirements at competitive pricing over the term of the contract.

### ***Strategic Analysis***

The RFP was issued in accordance with City’s Procurement Policy AF-015-01. The City received responses from three contractors: B.A. Blacktop, Lafarge Canada and Tarmac Grinding. The responses were evaluated through the work of an evaluation committee comprised of representatives from Streets Operations under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City; both quantitative and qualitative factors were evaluated.

The criteria considered in the evaluation process included technical and financial criteria, some aspects of which are listed below:

#### **Technical Evaluation Criteria:**

- Qualifications - including organizational profile, business and technical reputation and experience with major projects, personnel skill and knowledge relevant to City’s requirements;

- Capabilities - including breadth of personnel and equipment, work plan to respond to City's requirements, and record of fill rates, past performance and customer satisfaction metrics;
- Safety compliance - including organization safety programs, safe work procedures and traffic control plans, record of WorkSafeBC claims and incident, and safety training programs; and
- Sustainability - including energy efficiency and emissions of equipment, and ethical, social and environmental standards.

#### Financial Evaluation Criteria:

The financial evaluation was based on a comparative analysis of the proponents' hourly rates for two and one meter grinders with operator, mobilization, and sweeping services. The allocation of work volume used to complete the comparative analysis is based on the allocation of the work volume during the previous contract term. Based on the overall evaluation, the evaluation committee concluded that the proposals submitted by B.A. Blacktop, Lafarge Canada and Tarmac Grinding best met the City's requirements and provided best overall value to the City.

#### *Financial Implications*

Finance has reviewed and confirmed that funding is available from the annual Operating Budget and street paving capital budgets. As a result of the RFP, the City is able to achieve cost certainty for the initial three year contract term.

#### *Legal*

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of legal Services.

#### **CONCLUSION**

In summary, City staff recommends that the City of Vancouver negotiate and enter into a three year contract for asphalt milling services, with the option to extend the contract for an additional two one year terms, with:

- B.A. Blacktop as Contractor A (primary contractor) to provide two meter grinders for asphalt milling services;
- Lafarge Canada as Contractor A (primary contractor) to provide one meter grinders for asphalt milling services; and as Contractor B (secondary contractor) to provide two meter grinders for asphalt milling services; and
- Tarmac Grinding as Contractor B (secondary contractor) to provide one meter grinders for asphalt milling services

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