



ADMINISTRATIVE REPORT

Report Date: November 17, 2017
Contact: Nick Kassam
Contact No.: 604.829.2097
RTS No.: 11879
VanRIMS No.: 08-2000-20
Meeting Date: December 13, 2017

TO: Standing Committee on City Finance and Services

FROM: General Manager of Engineering Services and Chief Purchasing Official

SUBJECT: Contract Award for Provision of Weigh Scale Management and Point of Sale System

RECOMMENDATION

A. THAT Council authorize City staff to negotiate to the satisfaction of the General Manager of Engineering Services, Director of Legal Services, and the Chief Purchasing Official and enter into a contract with Paradigm Software, L.L.C., for the Provision of Weigh Scale Management and Point of Sale System, for a term of three (3) years, with the option to extend for seven (7) additional one (1) year terms, with an estimated contract value of \$1,127,000 plus applicable taxes over the initial three-year term, of which \$969,000 is for the initial capital investment and \$158,000 is the estimated cost for three years of post-implementation support. The post-implementation support component for 2018 will be funded from the annual operating budget for weigh scales for 2018, subject to approval of the 2018 Operating Budget, and will be brought forward as part of the annual operating budget process for 2019 and 2020. The capital investment component is to be funded from:

- \$744,000 from the approved multi-year capital project budget for Landfill and Transfer Station Scale Software; and
- \$225,000 reallocation from the approved multi-year project budget for Landfill Phase 3 North East Pre-Closure Gas Works.

Expenditures for the capital portion of this project will be managed within Engineering Services' overall 2018 Annual Capital Expenditure Budget, subject to approval of the 2018 Capital Budget.

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 Request for Proposals PS20161055 ("RFP") in November 2016 for the Provision of Weigh Scale Management and Point of Sale System. The RFP was advertised on 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 described above with Paradigm Software, L.L.C.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy AF-015-01 requires that contract awards exceeding the maximum term of five (5) years must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommended Paradigm Software, L.L.C., as the successful proponent.

REPORT

Background/Context

The City requires a Weigh Scale Management and Point of Sale System that will integrate current disparate City weigh scale operations into a single enterprise system, which will allow the sharing of information between locations, and act as a single access point into the various financial systems within the City. The City's current service provider is Paradigm Software, L.L.C.

The City's Engineering Services Department has conducted a thorough review of operational needs and opportunities for improvement, with the objective of incorporating into detailed requirements under a new contract with the successful proponent, Paradigm Software, L.L.C.

Strategic Analysis

The RFP was issued in the accordance with City's Procurement Policy AF-015-01. The City received responses from:

- Paradigm Software, L.L.C.
- Geoware Incorporated
- Mettler-Toledo Incorporated

The responses were evaluated through the work of an evaluation team comprised of representatives from Engineering Services, Information Technology, and Financial Planning and Analysis, 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.

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

- Proponent's Experience and Expertise;
- Functional Capability of the proposed Solution; and
- Technical Capability of the proposed Solution.

Based on the overall evaluation, the team concluded that the proposal submitted by Paradigm Software, L.L.C. best met the City's requirements and provided best overall value to the City. The recommended initial contract term is three (3) years, with the City's option to extend for seven (7) additional one-year terms, for a maximum contract term of ten (10) years. The initial three-year term gives the City an opportunity to introduce an innovative solution/technology, if available at that time. A maximum ten-year contract term would give the City certainty and stability with minimal business disruption or interruption, if the solution continues to deliver value to the City.

Financial Implications

The Weigh Scale Management and Point of Sale System has estimated contract value of \$1,127,000 plus applicable taxes over the initial three-year term. \$158,000 of this is the estimated cost for three years of support post-implementation, to be funded from the annual operating budget. The 2018 post implementation costs will be funded from the annual operating budget for weigh scales, subject to approval of the 2018 Operating Budget; 2019 and 2020 post implementation costs will be brought forward as part of the 2019 and 2020 annual budget process.

The \$969,000 initial capital investment portion of the contract value forms part of the Landfill and Transfer Station Scale Software capital project. This capital project has a current multi-year budget of \$1,600,000, of which \$820,000 (including provincial taxes) was estimated for the initial capital investment. As the tender price is higher than had been anticipated in the budget due to the inclusion of required peripheral equipment, staff recommend increasing the Landfill and Transfer Station Scale Software multi-year capital project budget by \$225,000, to be funded from a reallocation from the multi-year capital project budget for Landfill Phase 3 North East Pre-Closure Gas Works.

Expenditures for this project will be managed within Engineering Services' overall 2018 Annual Capital Expenditure Budget, subject to approval of the 2018 Capital Budget.

As a result of the RFP, the City is able to achieve cost certainty for the proposed three (3) 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 (3) year contract, with the option to extend the contract for an additional seven (7) one (1) year terms, with Paradigm Software, L.L.C, for the Provision of Weigh Scale Management and Point of Sale System.

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