



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: September 25, 2006
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Meeting Date: October 31, 2006

TO: Vancouver City Council

FROM: General Manager, Engineering Services and Manager, Materials Management

SUBJECT: Award for Expression of Interest PS06054 The Supply and Delivery of Ready Mix Concrete

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C and D, Council authorize the General Manager, Engineering Services and the Manager, Materials Management to enter into agreements for a period of three (3) years with the option to extend for an additional 2 - 12 month periods with Ocean Construction Supplies Ltd. and Lafarge Canada for ready mixed concrete picked up by city vehicles from suppliers depots and Kask Bros and Lafarge Canada Inc. for ready mixed concrete delivered to City job sites, at an annual estimated cost of \$2,364,062 plus GST (less any municipal rebate received) and PST (where applicable).
- B. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.
- C. THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services, the Manager of Materials Management and the Director of Legal Services.
- D. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.

COUNCIL POLICY

The Policy of Council is to award contracts for the purchase of equipment, supplies and services that will give the highest value based on quality, service and price.

Contracts with a value over \$300,000 are referred to Council for award.

DISCUSSION

On June 15, 2006 the City issued an Expression of Interest (EOI PS06054) for the Supply and Delivery of Ready Mix Concrete. Budgetary prices were requested through the EOI. In addition to notifying incumbent suppliers to the City and other well known vendors, the EOI was advertised in the local newspaper and was placed on the City's and BC Purchasing Commission's website.

Three (3) Responses were received and opened on July 12, 2006 and referred to the General Manager of Engineering Services and the Manager of Materials Management for evaluation and report. The three (3) Responses were evaluated by a five (5) person evaluation team. The Proposals were evaluated individually by team members and a composite score was assigned to each Response based on team member scores.

The evaluation team was unanimous in selecting Ocean Construction Supplies Ltd and Lafarge Canada for pick up of ready mix concrete from suppliers' depots by City vehicles.

Interviews were arranged for the evaluation team with Lafarge Canada and Kask Bros in order to provide clarification and information pertaining to the delivery of Ready Mix Concrete. Discussions centered on the timeliness and quality of deliveries to City crews. The construction market is currently at a peak; however Kask Bros and Lafarge Canada working together have provided a solution which will ensure service when and where required.

The evaluation team was unanimous in selecting Kask Bros and Lafarge Canada for the delivery of ready mix concrete.

ENVIRONMENTAL IMPLICATIONS

The increasing demands on the environment and issues surrounding the use of ready mixed concrete have led Kask Bros. Ltd. and Lafarge Canada Inc. to install self-contained wash out systems on their transit mixer vehicles in order to eliminate the need to wash out on site. Both wash water and aggregates are recycled at Kask and Lafarge's wastewater treatment facility. The target for both companies is to re-use and recycle 100% of the product produced when delivery trucks are cleaned.

The use of fly ash as a partial replacement for Portland cement in ready mix concrete has environmental advantages in reducing CO₂ emissions and reducing waste disposal requirements. Fly ash is a by-product of the burning of coal to produce electricity. The ready mix suppliers for the City of Vancouver have been conscious of the benefits of fly ash and have incorporated fly ash in their mixes for many years. The percentage of fly ash used is now approximately 20 percent of the total cement used in the concrete. Suppliers continue to look to increase this percentage when practical.

FINANCIAL IMPLICATIONS

The overall estimated cost for the supply and delivery of ready-mixed concrete has shown an increase from \$2,318,045 in 2005/06 to \$2,364,062 in 2006/07. A slight change to the estimated quantities and price increases will result in a 2% price increase overall. Generally, ready-mixed concrete is used for Waterworks, Sewers and Streets capital and maintenance work. Ready mixed concrete is ordered on an as needed basis for each particular job site. Purchases are funded from a variety of sources, i.e. 2007 Streets, Waterworks and Sewers Operating Budget, 2007 Streets, Waterworks and Sewers Basic Capital Budget, 2007 Water Utility Fees and 2007 Sewer Utility Fees.

CONCLUSION

Accordingly, we recommend acceptance of the response offering the overall best value to the City and entering into a contract with Ocean Construction Supplies Ltd and Lafarge Canada Inc. for the supply of ready mix concrete picked up from suppliers depots at an estimated annual cost of \$694,412 and Kask Bros and Lafarge Canada Inc for the delivery of ready mix concrete at an estimated annual cost of \$1,669,650.

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