



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: January 8, 2007
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Meeting Date: January 30, 2007

TO: Vancouver City Council

FROM: General Manager of Corporate Services
Manager of Materials Management

SUBJECT: Award of Contract for RFP#PS06027 - The Supply of Electrical Wire, Cable, Conduit and Miscellaneous Electrical Components

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C, D, and E, Council authorize a contract with Wesco Distribution Canada - LP to supply electrical wire, cable, conduit and miscellaneous electrical components for a period of three (3) years at an estimated cost of \$4,800,000 plus GST (less any municipal rebate received) and PST with a subsequent renewal option of two (2) one-year extensions. Source of funding for the contract to be provided from the existing Departmental operating budgets.
- 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 Corporate Services, 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 Recommendation A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.

COUNCIL POLICYThe policy of Council is to enter into contracts for the purchase of equipment, supplies and services that will give the best value based on quality, service and price.

PURPOSE

Contracts with a value over \$300,000 are referred to Council for approval. The purpose of this report is to recommend that Council authorize a three-year contract with the option to extend for two additional 12-month periods to Wesco Distribution Canada - LP for the supply of wire, cable, conduit and miscellaneous electrical components to the City. This recommendation is based on responses to Request for Proposal (RFP) PS06027.

DISCUSSION

The City spends an estimated \$1,600,000 per year to provide wire, cable, conduit and miscellaneous electrical components for operations and capital projects. An RFP was issued on June 19, 2006 and advertised on the City's and BC Purchasing Commission's web site and in the Vancouver Sun. A major objective of the RFP was the consolidation of these products under a single provider, consistent with the City's strategic sourcing initiative. Currently, the City was dealing with over 30 suppliers.

Eight Proposals were received by the City. An evaluation team comprised of representatives from Engineering (Traffic and Electrical Stores, Traffic and Electrical Operations), Building Maintenance, Vancouver Park Board (Purchasing and Trades) conducted a comprehensive review of the proposals.

Proposals were evaluated against the following key requirements:

- Ability to support of the various facilities within the City and to assist in lowering supply chain costs and raise the efficiency of the operation through a combination of advanced, innovative distribution capabilities and "extra effort" services.
- Ability to supply product direct to the respective sites in manageable quantities, with a minimum of backorders as well as providing a location for pick-up of product.

Wesco Distribution Canada - LP was the leading Proponent having achieved the strongest overall score for these key requirements within the subjective evaluative portion. Wesco will provide product to the City's inventory centres from their local Distribution Centre. Pick-up of product by City staff is available from their branch located at 1055 Clark Drive, Vancouver, BC. Wesco's branches tailor their inventory to meet local customer's needs.

Pricing was evaluated based on costing of a pre-determined list of products included in the RFP. Three of the eight Proponents were able to provide pricing for 95% of the items in the product basket as well as being able to provide a viable pick-up location. Wesco Distribution achieved the highest score on the financial evaluative portion.

Based on results of the evaluation, Wesco Distribution Canada - LP received the highest overall RFP score:

- Wesco Distribution has demonstrated that their commitment to service and will provide a depth of knowledge and experience within the products they are supplying;
- Wesco Distribution has demonstrated by being a current supplier that their products will meet the objectives of the RFP;
- Wesco Distribution has a dedicated and experienced staff to service the City's needs; and
- Wesco Distribution would provide best value to the City.

ENVIRONMENTAL IMPLICATIONS

Wesco Distribution Canada - LP currently has an environmental and disposal policy in place for fluorescent lamps, ballasts, and batteries and can implement programs that involve the pickup, removal and disposal of waste material. Wesco also has a full range of products and new technologies that provide energy savings through product replacement. They also provide consultation, commissioning, programming and other functions as part of the sale of any of their products.

FINANCIAL IMPLICATIONS

Funding is provided from the respective department's annual operating budgets. With volumes and usage of these electrical components projected to increase, the competitive pricing and commitment to reduce inventories will result in departments avoiding 5 - 10% cost increases.

CONCLUSION

In consideration of the advantage to entering into a long term contract for the supply of wire, cable, conduit and miscellaneous electrical components, the recommendation to contract with Wesco Distribution Canada - LP is deemed as the best value for the City. Based on the proposals submitted Wesco Distribution Canada - LP demonstrated that their solution would be able to meet not only the product, service and business process improvement objectives of the City but also align with the strategic sourcing initiative.

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