



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: February 5, 2007  
Author: Aaron Grill  
Phone No.: 604.873.7453  
RTS No.: 06520  
VanRIMS No.: 03-1200-11  
Meeting Date: February 27, 2007

TO: Vancouver City Council

FROM: General Manager of Engineering Services  
Manager - Materials Management

SUBJECT: Award of Tender PS06103 - Supply and Delivery of PVC Sewer Pipe and Fittings

#### RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B and C, Council approve an award of contract for the supply and delivery of pvc sewer pipe and fittings to Mueller Flow Control for a term of three (3) years at an estimated total cost of \$2,080,161.00 plus GST (less any municipal rebate received) and PST (where applicable) with subsequent renewal options for two (2) additional one (1) year periods.
- B. THAT, the Manager, Materials Management be authorized to execute and deliver a Notice of Award on behalf of the City and the Director of Legal Services be authorized to execute and deliver the contract on behalf of the City.
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until a Notice of Award is executed and delivered by the City to Mueller Flow Control.

## COUNCIL POLICY

The Policy of Council is to award contracts for the purchase of equipment, supplies and services that result in the best value based on quality, service, price and other relevant criteria.

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

## BACKGROUND

As part of its scheduled programs for replacement or installation of new sewer mains and services and for emergency repairs, the City requires pipe and fittings of various sizes and configurations. For smaller pipe sizes (generally 375mm or less), PVC sewer pipe is a commonly used product that has been installed by the City since the late 1970's.

## DISCUSSION

On November 10, 2006, the City issued an Invitation to Tender for the supply and delivery of PVC Sewer Pipe and Fittings. In addition to notifying incumbent suppliers to the City and other well known vendors, the ITT was placed on the City's and BC Purchasing Commission's BC Bid website and advertised in the Vancouver Sun.

Five (5) bids were received and opened on December 6, 2006 and referred to the General Manager of Engineering Services and the Manager of Materials Management for evaluation and report.

The tender called for the supply and delivery of pvc sewer pipe and fittings offering best value to the City on an as required basis over a three (3) year period with an option to renew for two (2) additional one (1) year periods and includes a review of pricing at the end of every year.

The tender was divided into two requirements. Requirement "A" for PVC Sewer Pipe (SDR-28 and SDR-35) and requirement "B" for PVC Sewer Fittings (SDR-28 and SDR-35). Pricing received was based on one year estimated quantities.

	Bid 1	Bid 2	Bid 3	Bid 4	Bid 5
Requirement A	\$446,272.40	\$501,769.80	\$517,528.20	\$541,385.00	\$549,868.20
Requirement B	\$324,157.72	\$332,226.91	\$322,347.96	\$351,375.81	\$358,985.56
Total	\$770,430.12	\$833,996.71	\$839,876.16	\$892,760.81	\$908,853.76

*Note: For awarding the contract in its entirety, Bid #1 has offered an additional 10% special discount, allowing the City to take advantage of an approximate savings of \$77,000 on a per annum basis, for an estimated annual contract value of \$693,387.10*

For Requirement "A", Bid #1 (Mueller Flow Control) is the overall lowest bid that meets specifications. Although Bid #1 (Mueller Flow Control) is the second lowest for Requirement B (difference of \$1800) it is, however, the lowest overall bid, and with the special discount offered, the annual contract is approx 17% lower than the next lowest bidder.

## FINANCIAL IMPLICATIONS

The purpose of this contract is to cover Sewers' PVC sewer pipe and fittings needs on an annual basis. Funding is provided from Engineering Capital Budgets for Sewer programs. The products will be purchased through Central Stores Operating Funds and then charged to the various Engineering Capital project accounts on an as required basis.

## CONCLUSION

Accordingly, we recommend acceptance of the bid meeting specifications and offering best value from Mueller Flow Control for a combination of PVC Sewer Pipe and Fittings, at an estimated annual cost of \$693,387.10, for a total contract value over three years of \$2,080,161.00.

\* \* \* \* \*