



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

Report Date: September 10, 2008
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Meeting Date: September 30, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services and Manager of Purchasing Services

SUBJECT: Purchase of Ductile Iron Water Pipe

RECOMMENDATION

THAT Council authorize the Manager of Purchasing Services to enter into an agreement for the supply and delivery of ductile iron water pipe with Canada Pipe Company Ltd./Tuyauteries Canada Ltee without calling of formal tenders, at an estimated annual cost of \$1,352,000 plus the 5% Goods and Services Tax (less any municipal rebate received) and Provincial Sales Tax, for a period of one (1) year commencing October 1, 2008 to September 30, 2009 with the possibility to renew for one (1) additional twelve (12) month period.

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.

PURPOSE

To seek approval to enter into a one-year contract for the supply of ductile iron water pipe for the City's water works construction programs with the possibility of one (1) twelve (12) month extension.

DISCUSSION

The Engineering Services Department has an ongoing distribution water main replacement program that renews infrastructure based on age, failure history, and material type. This program replaces approximately 11,000 m of City water main per year resulting in 0.8% of the system being replaced per year. The City also replaces large diameter mains for transmission purposes depending on the age and condition of the pipe. This purchase also provides pipe for new service connections and for watermain repairs. In 2009, approximately 1400 m of pipe will be used to replace the aging 12th Ave. transmission main. This contract covers the pipe requirements for one year of the City's waterworks capital construction program.

The contract provides for a one (1) year agreement between the City and Canada Pipe. The agreement will provide for the supply and delivery of Class 52 ductile iron, double cement lined water pipe in either mechanical joint or Tyton joint styles. Delivery is included to the City's work sites within the City, saving significantly on storage, transportation and inventory costs.

The City issued a Notice of Intent to Contract PS08061 on April 24, 2008. The window for commentary closed with one comment from another potential supplier. This supplier indicated that they were interested in participating, but were not currently able to deliver pipe as per the City's requirements. The City's standard practice is to purchase materials and test them for their mechanical, chemical, dimensional and metallurgical properties. The products from this potential supplier will need to be tested in the same program used to test products from current suppliers. In order to complete this testing, the City will require approximately a year to purchase sample pipe, arrange for a consultant to test the pipe and review the results. The potential supplier has re-entered the market and is working to develop its capacity to meet City terms. Once their product has been tested to ensure its conformance with City's Standards and they have shown themselves capable of meeting the City's delivery requirements, the City will conduct an open tendering process for this commodity.

FINANCIAL IMPLICATIONS

Funding for the purchase of pipe is available through the annual Capital Budgets for waterworks infrastructure replacement.

CONCLUSION

Accordingly, we recommend that the City enter into an agreement with Canada Pipe for the supply and delivery of approximately 11,000 meters per year of ductile iron water pipe for one to two years, which will allow the City of Vancouver to test and approve the products of other potential suppliers and ensure that the supply chain can be maintained.

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