



ADMINISTRATIVE REPORT

Report Date: April 14, 2014
Contact: Nick Kassam
Contact No.: 604.829.2097
RTS No.: 10543
VanRIMS No.: 08-2000-20
Meeting Date: May 14, 2014

TO: Standing Committee on City Finance and Services

FROM: General Manager of Engineering Services, General Manager Financial Services and Chief Purchasing Official

SUBJECT: Contract Award for the Supply and Delivery of Ready Mix Concrete

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering, Director of Legal Services, and Chief Purchasing Official, and enter into, a contract with Lafarge Canada Inc. for the supply and delivery of ready mix concrete, for a term of three (3) years (and with the option to extend for two (2) additional one (1) year periods), with an estimated contract value of \$3,968,206 plus applicable taxes over the initial three (3) year term, to be funded through the capital and operations budget process;
- B. FURTHER THAT the Director of Legal Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A;
- C. AND FURTHER 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 Director of Legal Services.

REPORT SUMMARY

The City issued a Request for Proposal (RFP-PS20130436) in November 2013 for the supply and delivery of ready mix concrete (the "RFP"). The RFP was advertised on the City of Vancouver's website and BC Bid. The RFP for the work was called in accordance with the terms and conditions of the Procurement Policy. City staff on the RFP evaluation committee, and subsequently the Bid Committee, have considered the proposals received, and on that basis recommend that the City negotiate and, if such negotiations are successful, enter into a contract as described above with Lafarge Canada Inc.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy requires that contracts with values over \$2 million must be approved by Council following review and recommendation by the Bid Committee. The Bid Committee has considered and approved Lafarge Canada Inc. as the successful proponent.

REPORT

Background/Context

The City currently purchases a variety of ready mix concrete for use in various engineering related jobs such as construction, maintaining and repairing the City's infrastructure including roads, pathways, sidewalks, curbs, foundations, walls, as well as sewer and water mains. The ready mix concrete is used as needed through-out the year. Depending on the specific work being performed by the City, the concrete would be delivered to the specific City job sites or the City may choose to pick up concrete from the supplier's plant.

The purpose of the RFP was to seek and identify suppliers with demonstrated capability to be able to supply the City's estimated demand over the term of the proposed contract with competitive pricing, and meet the City's service requirements. These requirements include; efficient service levels, meeting or exceeding the material technical specifications including stringent quality control systems and commitment to sustainability.

Strategic Analysis

The City received proposals from three (3) suppliers in response to the RFP. The proposals were evaluated by an evaluation team comprised of representatives from various departments within the City and under the stewardship of Supply Chain Management to ascertain which offered the best overall value to the City. In determining which proposals offered the best overall value to the City, both quantitative and qualitative factors such as price, product and service offerings, business technology and sustainability were considered, among other factors.

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

- Financial offerings;
- Ability to meet City specifications for product quality, standards and depth of quality control and product;
- Demonstrated service level in such areas as responsiveness, unloading, handling and acceptance;
- Ability to provide customer service capabilities such as account management, business technology solutions which incorporates electronic billing and payment options and reporting; and
- Demonstrated ability to adhere to the City's values, including environmental, sustainability and innovation.

Based on the overall evaluation, the team concluded that the proposal submitted by Lafarge Canada Inc. met the City's requirements and provided best overall value to the City.

Financial

Finance has reviewed the financial information and confirmed that funding is available from the Capital and Operating Budgets of the various departments requiring the supply and delivery of ready mix concrete. As a result of the RFP process, the City is able to achieve cost certainty for the proposed three year contract term from 2014 - 2016.

CONCLUSION

In summary, City staff recommend that the City of Vancouver negotiate and enter into a three year contract, with the option to extend for two additional one-year terms, with Lafarge Canada Inc. for the supply and delivery of ready mix concrete. Lafarge Canada Inc. offers the best overall value to the City.

* * * * *