



ADMINISTRATIVE REPORT

Report Date: August 18, 2014
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Meeting Date: September 16, 2014

TO: Vancouver City Council

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

SUBJECT: Contract Award for Vacuum Truck Services

RECOMMENDATION

THAT Council receive this report for information.

REPORT SUMMARY

The City issued a Request for Proposal (RFP - PS20140368) in May 2014 for the supply and delivery of vacuum truck services (the "RFP"). The RFP was advertised on the City of Vancouver's website and BC Bid. The RFP 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 considered the proposals received and determined that the City should enter into a contract with McRae's Environmental Ltd. for the delivery of vacuum truck services for a term of three (3) years with the option to extend for two additional one-year terms, with an estimated value of \$4.53 million plus applicable taxes over the initial three (3) year term with funding to be provided from approved Engineering budgets.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Under Section 12.6 of the City's Procurement Policy (AF-015-01), the Bid Committee's authority to approve the entry into a contract is extended during the summer recess of Council. In order to ensure the vendor's contractual compliance to City requirements (operational, financial, safety, liability, etc.) while performing this continuously required service, the Bid Committee exercised its right to award this contract.

REPORT

Background/Context

The purpose of the RFP was to seek and identify suppliers with demonstrated capability and competitive pricing to be able to supply the City's on-going requirement for the Vacuum Truck Services used by Streets Traffic and Electrical (STEOB), Waterworks and Sewers Operations Branches in the Engineering department. Engineering anticipates requiring at least 7,000 hours of Vacuum Truck Services per year during the next three years. The intention of the RFP was to approach the market and obtain current competitive prices for the three (3) year term providing; cost certainty, a secure supply and alignment with the City's Procurement Policy.

The City will enter into an agreement with McRae's Environmental Ltd. to supply and deliver vacuum truck services as required. The contract will be for a three year term beginning October 2014 expiring on October 2017, with the option to extend for two additional one-year periods.

Strategic Analysis

The RFP was issued in accordance with the City's Procurement Policy. The City received four proposals in response to the RFP. The proposals were evaluated through the work of a cross-departmental evaluation team under the stewardship of Supply Chain Management to determine which proposal offered the best overall value to the City. In determining which proposal offered the best overall value to the City, the evaluation team examined, among other factors:

- Financial offering
- Technical Capabilities
- Fleet Size
- Health & Safety Programs
- Company Profile
- Staff Training
- Environmental
- References
- Sustainability

Based on the overall evaluation, the team concluded that the proposal submitted by McRae's Environmental Ltd. met the City's requirements and provided the best overall value to the City.

Financial

The total cost of Vacuum Truck Services is estimated at approximately \$4.53 million plus applicable taxes over the initial 3 year term. Engineering Services and Corporate Budgets have reviewed the financing for the work and concur that \$4.53 million funding is available from approved Capital and Operating budgets.

Environmental Implications

McRae's fleet uses bio-diesel fuels and the latest technology for noise level reductions. Their fleet meets the Environmental Protection Agency (EPA) Tier 4 emission standards.

McRae's Environmental Ltd. is a member of Climate Smart which strives to reduce the impact on the environment by collecting data, measuring consumption levels and implementing strategies to reduce and reuse.

CONCLUSION

In summary, City of Vancouver will enter into a three-year contract, with the option to extend for two additional one-year periods, with McRae's Environmental Services for the supply and delivery of vacuum truck services, given that this company's proposal offered the best overall value to the City.

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