



## ADMINISTRATIVE REPORT

Report Date: August 25, 2014  
Contact: Nick Kassam  
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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 the Supply and Delivery of Mineral Aggregates

### ***RECOMMENDATION***

THAT Council receive this report for information.

### ***REPORT SUMMARY***

The City issued a Request for Proposal (RFP - PS20140053) in May 2014 for the supply and delivery of mineral aggregates (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, Bid Committee considered the proposals received and determined that the City should enter into a contract with Mainland Sand and Gravel Ltd. for the supply and delivery of mineral aggregates, for a term of three (3) years, with the option to extend the contract for two additional one-year terms, and with an estimated value of \$12.562 million, plus applicable taxes, over the initial three (3) year term, with funding to be provided from approved Engineering Capital and Operations budgets.

The current contract expires on September 30 and in order to allow for a timely execution and implementation of the new contract, the Bid Committee approved the entry into the contract with Mainland Sand and Gravel Ltd. on July 25, 2014.

### ***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. The goods under this contract are continuously required, and awaiting

approval at the first Council date after the summer recess would not have allowed sufficient time to negotiate and enter into a contract before the expiry of the existing contract, risking an interruption in the supply and delivery of mineral aggregates. Therefore the Bid Committee exercised its right to award this contract.

## ***REPORT***

### ***Background/Context***

The City's Engineering Services (Kent Construction Supplies and Services) requires mineral aggregates for various uses, such as in asphalt mix, in ready mix concrete and as a fill for sewer and water construction, road construction and maintenance projects. Aggregates will be delivered to the City's facility by barge from the supplier's quarry. Alternatively, the City may request delivery of low volume aggregates by truck.

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 contract with competitive pricing and meet the City's service and operational requirements. These requirements include efficient service levels, meeting or exceeding the material technical specifications, stringent testing and a commitment to sustainability.

The City will enter into a contract with Mainland Sand and Gravel Ltd. to supply and deliver mineral aggregates as required. The contract will be for a three year term beginning October 1, 2014 expiring on September 30, 2017, with the option to extend for two additional one-year periods.

### ***Strategic Analysis***

The RFP was prepared by Supply Chain Management staff in collaboration with Engineering Services - Kent Construction and Supplies and Legal Services.

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 Engineering Services and under the stewardship of Supply Chain Management to ascertain which offered the best overall value to the City.

Based on the overall evaluation, the team concluded that the proposal submitted by Mainland Sand and Gravel Ltd. 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 approved Engineering Capital and Operations budgets.

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***CONCLUSION***

In summary, the City will enter into a three-year contract, with the option to extend for two additional one-year periods, with Mainland Sand and Gravel Ltd., for the supply and delivery of mineral aggregates, given that this company's proposal offered the best overall value to the City.

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