



ADMINISTRATIVE REPORT

Report Date: September 2, 2014
Contact: Nick Kassam
Contact No.: 604.829.2097
RTS No.: 10563
VanRIMS No.: 08-2000-20
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 Asphalt, Concrete and Rock Crushing Services

RECOMMENDATION

THAT Council receive this report for information.

REPORT SUMMARY

The City issued a Request for Quotation (RFQ - PS20140283) in June 2014 for asphalt, concrete and rock crushing services (the "RFQ"). The RFQ was advertised on the City of Vancouver's website and BC Bid. The RFQ was called in accordance with the terms and conditions of the Procurement Policy. City staff on the RFQ evaluation committee, and subsequently, the Bid Committee considered the quotations received and determined that the City should enter into a contract with Regehr Contracting for the supply and delivery of asphalt, concrete and rock crushing services 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 \$3.05 million, plus applicable taxes, over the initial three (3) year term, with funding to be provided from charges allocated to work orders created from Capital or Operations budgets, such as the 2014 Sewers, Transfer and Landfill and Streets Operating Budgets, and the 2014 Sewers, Transfer and Landfill and Streets Capital 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 Regehr Contracting on August 22, 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 services 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 asphalt, concrete and rock crushing services. Therefore the Bid Committee exercised its right to award this contract.

REPORT

Background/Context

The City of Vancouver sought vendors who were able to provide asphalt, concrete and rock crushing services at Kent Yards and at the Vancouver Landfill. Crushed product is used to meet the City's operational requirements, including what is needed at the Vancouver Landfill. Concrete, rock and asphalt raw material slab is accepted at Kent Yards mainly from City crews (approximately 65% of the inflow) but also from private contractors. The raw material is crushed to varying recycled aggregate sizes for City crew use.

The purpose of the RFQ was to select a single service provider to:

- Assure continuous supply of crushed product to meet demand
- Ensure service requirements are met, including supply, compliance to material specifications and quality control
- Ensure price stability over the term of the contract
- Identify cost savings and added value opportunities
- Minimize disruption in the event of equipment breakdown
- Manage risk by ensuring compliance to all regulations, including WorkSafe BC

Strategic Analysis

The RFQ was prepared by Supply Chain Management staff in collaboration with Engineering Services - Kent Construction Supplies & Services Branch.

The City received quotations from two (2) suppliers in response to the RFQ. 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, it was concluded that the quotation submitted by Regehr Contracting best 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 Capital and Operations budgets. As a result of the RFP process the City was able to achieve cost certainty and a forecasted savings of approximately \$450,000 over the initial three year term of the contract.

CONCLUSION

In summary, the City will enter into a three-year contract, with the option to extend for two additional one-year periods, with Regehr Contracting for the supply and delivery of asphalt, concrete and rock crushing services, given that this company offered the best overall value to the City.

* * * * *