



ADMINISTRATIVE REPORT

Report Date: September 16, 2014
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Meeting Date: October 15, 2014

TO: Standing Committee on City Finance and Services

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

SUBJECT: Contract for the Supply and Delivery of Reinforced Concrete Pipe, Manhole
Sections and Tops

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering Services, Director of Legal Services, and Chief Purchasing Official, and enter into a contract with Ocean Pipe, a sole proprietorship of Lehigh Hanson Materials Limited ("Ocean Pipe") for the supply and delivery of reinforced concrete pipe, manhole sections and tops, for a term of three years (and with the option to extend for two additional one-year periods), and with an estimated contract value of \$4,322,563 over the initial three-year term, to be funded through the Engineering Services Capital budget;
- B. THAT the Director of Legal Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A;
- C. 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-PS20140493) for the supply and delivery of reinforced concrete pipe, manhole sections and tops (the "RFP"). 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 Ocean Pipe.

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 Ocean Pipe as the successful proponent.

REPORT

Background/Context

The City's Engineering Services department requires reinforced concrete pipe, manhole sections and tops for various uses such as mainline sewer projects. Products may be picked up by the City or City-hired trucks, and the Supplier will be required to load the products into the trucks. Alternatively, the Supplier may be required to deliver and unload the products at the City's job sites.

The purpose of the RFP was to identify a supplier with a demonstrated capability to supply the City's estimated demand over the term of the proposed contract with competitive pricing, and meet the City's service and other requirements. In general, the RFP process was directed at eliciting and identifying a proposal that would provide the best overall value to the City.

Strategic Analysis

The RFP was issued in accordance with the City's Procurement Policy. The City received one proposal from one supplier in response to the RFP. The proposal was evaluated through the work of an evaluation team comprised of representatives from Engineering Services under the stewardship of Supply Chain Management to ascertain if the proposal offered good overall value to the City. In determining if the proposals offered good overall value to the City, both quantitative and qualitative factors were evaluated.

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

- (a) the proponent's ability to meet the City's requirements as and when required;
- (b) the quality, characteristics and performance of the proponent's products;
- (c) the proponent's skills, knowledge, experience and reputation;
- (d) the proposed pricing and warranties
- (e) the proposed service levels;
- (f) the proponent's compliance with the City's Supplier Code of Conduct; and
- (g) environmental and social sustainability aspects of the proposal, including the Completion of the Assessment of Vendor Sustainability Leadership Questionnaire.

Based on the overall evaluation, the team concluded that the proposal submitted by Ocean Pipe met the City's requirements and provided good overall value to the City.

Financial

Finance has reviewed the financial information. The contract is on an as-needed basis and Finance has confirmed that funding is available from the Engineering Services Capital budget based on specific projects and or/work orders largely within the Sewer Capital Separation Program requiring the supply and delivery of reinforced concrete pipe, manhole sections and tops. As a result of the RFP process, the City is able to achieve cost certainty for the proposed three-year contract term from 2015 through the end of 2017.

Legal

Legal Services was engaged for the preparation of the RFP documents, as required by the City's Procurement Policy. If the entry into a contract is approved by Council, Legal Services will assist with the finalization of the contract, as required by the Procurement Policy.

CONCLUSION

In summary, City staff recommend that the City of Vancouver negotiate and enter into a three year contract, with the option to extend the contract for two additional one-year terms, with Ocean Pipe, for the supply and delivery of reinforced concrete pipe, manhole sections and tops.

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