



ADMINISTRATIVE REPORT

Report Date: April 28, 2015
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Meeting Date: May 27, 2015

TO: Standing Committee Planning, Transportation and Environment
FROM: General Manager of Engineering Services and Chief Purchasing Official
SUBJECT: Contract Award for the Rental of Small Equipment

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering Services, City's Director of Legal Services, and the City's Chief Purchasing Official and enter into a contract with United Rentals of Canada Inc., for small equipment rentals, for a term of three (3) years, with the option to extend for two (2) additional one (1) year terms, with an estimated contract value of \$2,243,850 (plus applicable taxes) over the initial three-year term, to be funded through approved operating and capital budgets in the departments that use this service.
- B. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of Engineering 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 authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued a Request for Proposals (PS20140815) in December 2014 for the rental and leasing of small equipment. The RFP was advertised on City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City's Procurement Policy AF-015-01. City staff on the RFP evaluation committee and, subsequently, the Bid Committee have considered the responses received and on that basis recommend that the City negotiate and, if such negotiations are successful, enter into a contract, as described above, with United Rentals of Canada Inc.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy AF-015-01 requires that contracts with values of over \$2 million must be approved by Council following review and recommendation by the Bid Committee.

The Bid Committee has considered and recommended United Rentals of Canada Inc. as the successful proponent.

REPORT

Background/Context

In the course of conducting City operations, on occasion, City departments are required to rent or lease small equipment to perform their work. The City's Department of Engineering (Equipment Services) manages the small equipment rentals and leases program on behalf of City departments who require the equipment.

Renting equipment allows flexibility through variable equipment acquisition instead of investing in capital assets that depreciate, require maintenance, may be under-utilized and may quickly become outdated in technology, environmental standards and usefulness. Further, in emergency situations, equipment rentals can be imperative to operational business continuity. Small equipment includes (but is not limited to) such things as pumps, forklifts, drills, compressors and plate tampers.

The purpose of the RFP was to identify suppliers with a demonstrated capability to supply the City's estimated demand over the term of the contract with competitive pricing and that meets the City's service requirements.

Strategic Analysis

The RFP was issued in the accordance with City's Procurement Policy AF-015-01.

The City received proposals from Cat Rentals, United Rentals of Canada Inc. and BC Protocol Industrial Sales Ltd. The responses were evaluated through the work of an evaluation team comprised of representatives from Engineering - Equipment Services under the stewardship of Supply Chain Management to ascertain if the responses 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:

- The proponents ability to meet the City's requirements
- The proponent's skill, knowledge, experience and reputation
- Demonstrated service levels and service support
- Quality of equipment and fleet
- Sustainability objectives, and
- Financial offering

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

Financial Implications

The contract allows purchases on an "as-needed" basis. Finance has reviewed and confirmed that funding will be available from the approved operating or capital budgets in departments that use the service. As a result of the RFP, based on historical usage, the City is forecasting a savings of approximately \$62,375 (2.7%) over the initial three (3) year contract term.

Legal

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of Legal Services.

CONCLUSION

In summary, City staff recommends that the City of Vancouver negotiate and enter into a three (3) year contract, with the option to extend the contract for an additional two (2) one (1) year terms, with United Rentals of Canada Inc. for small equipment rentals.

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