



## ADMINISTRATIVE REPORT

Report Date: August 20, 2018  
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Meeting Date: September 19, 2018

TO: Standing Committee on City Finance and Services  
FROM: General Manager of Engineering and Chief Procurement Officer  
SUBJECT: Contract Award for the Supply and Delivery of Pipe and Fittings

### **RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering, City's Director of Legal Services, and the City's Chief Procurement Officer and enter into a contract with Flocor Inc., for the supply and delivery of pipe and fittings, for a term of up to a total of seven (7) years, with an initial five (5) years term and options to extend for two(2) additional one(1) year terms, for an estimated contract value of \$7,063,714, plus applicable taxes over the initial three (3) years of the contract, subject to approved available funding; and

FURTHER THAT the Director of Legal Services, Chief Procurement Officer and General Manager of Engineering be authorized to execute on behalf of the City the contract contemplated by Recommendation A.

- B. THAT no legal rights or obligations will be created by Council's adoption of Recommendation A, 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 PS20180799 (the "RFP") on May 17, 2018, for the supply and delivery of pipe and fittings. 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 ADMIN-008. 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 Flocor Inc.

**COUNCIL AUTHORITY/PREVIOUS DECISIONS**

The City's Procurement Policy ADM-008 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 recommends Flocor Inc. as the successful proponent.

**REPORT****Background/Context**

The City's Engineering Department - Water and Sewer Green Infrastructure Division requires a contract to address an ongoing requirement for a variety of pipe and fittings, in order to run and maintain the City's waterworks and sewer operations.

Pipe and fitting supplies include:

- PVC pipe and fittings;
- copper tube;
- ductile iron fittings;
- waterworks brass and screwed brass fittings;
- mechanical couplings; and
- waterworks service saddles

The purpose of the RFP is to identify a qualified supplier with the demonstrated capability and experience to efficiently and cost-effectively supply and deliver the City's estimated demand over the term of the proposed contract with competitive pricing, together with the best quality, services, innovation, and environmental or sustainability solutions that meets the City's service requirements.

**Strategic Analysis**

The RFP was issued in accordance with the City's Procurement Policy ADMIN-008.

The City received responses from seven vendors in response to the RFP:

- EMCO Corporation
- Andrew Sheret Limited
- Corix Water Products Limited Partnership
- Flocor Inc.
- Wolseley Canada Inc. Waterworks Division
- Spectrum Pipe Group
- Hanley Agencies Ltd.

The responses were reviewed by an evaluation team comprising representatives from Engineering Services (Waterworks Design, Sewer Design, and Waterworks Operations) under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City, both quantitative and qualitative. Factors including product, price, service offering and sustainability were considered and evaluated.

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

- Financial offering, including competitive pricing, rebates and discount solutions;
- Supplier's capability, knowledge and experience;
- Ability to meet the City's requirements, including ability to offer a wide array of quality products, warranties on products offered, demonstrated service levels (surplus obsolete products management, vendor-managed Inventory solutions, customer services, inventory support, back-orders, etc.), and quality programs in place;
- Business reputation and capabilities, including capabilities to provide business technology solutions incorporating billing and payment options, reporting, online ordering, inventory management, delivery requirements, returns and restocking, and transition; and
- Ability to adhere to City values, including sustainability.

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

### ***Implications/Related Issues/Risk***

#### ***Financial***

Financial Planning & Analysis has reviewed the cost of the goods and services and concurs that funds are available in the 2018 Budget for 2018 expenditures. Future budgets will be requested annually through the budget process and the estimates were included within the Water and Sewer Programs in the 2019-2022 Capital Plan. Pipe and Fittings are to be ordered on an "as-needed" basis during the contract term and will be subject to approved available budget.

For this RFP quantities were estimated, thus actual volumes will vary depending on requirements and approved budget.

#### ***Legal***

The City's Procurement Policy requires that all contracts that have a total value in excess of \$2,000,000 and that require the approval of Council need to be concurred and signed by the Director of Legal Services.

### ***CONCLUSION***

In summary, City staff recommend that the City of Vancouver negotiate and enter into a contract with Flocor Inc. for the supply and delivery of pipe and fittings for a term of up to a total of seven (7) years, with an initial five (5) year term and options to extend for two (2) additional one (1) year terms.

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