



POLICY REPORT

Report Date: May 27, 2019
Contact: Alexander Ralph
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RTS No.: 13142
VanRIMS No.: 08-2000-20
Meeting Date: June 12, 2019

TO: Standing Committee on Policy and Strategic Priorities
FROM: General Manager of Engineering Services and Chief Procurement Officer
SUBJECT: Contract Award for Supply and Delivery of Ready Mix Concrete

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 Procurement Officer and enter into a contract with Lafarge Canada Inc., for supply and delivery of ready mix concrete, for a term of three (3) years, with the option to extend for three (3) additional two (2) year terms, with an estimated contract value of \$9,323,332, plus applicable taxes over the initial three-year term, to be funded through the approved Annual Engineering Streets Operating and Capital Budgets.
- B. FURTHER THAT the Director of Legal Services, Chief Procurement Officer 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 Proposal No. PS20190479 (the "RFP") on March 29, 2019 for the supply and delivery of ready mix concrete. The RFP was posted on the 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 staffs on the RFP evaluation committee, and, subsequently, the Bid Committee, have considered the response received, and on that basis recommend that the City negotiate and if such

negotiations are successful enter into a contract as describe above with Lafarge Canada Inc.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy ADMIN-008 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommended Lafarge Canada Inc., as the successful proponent.

REPORT

Background/Context

The City's Engineering Services Department has a continuous demand for ready mix concrete to support various projects and in various branches.

The products may be ordered for delivery to City job sites, City Works Yards and/or for pick-up by City vehicle from a local production plant.

The current contract expires on June 30, 2019. By way of the RFP the City has sought proposals from qualified suppliers in the marketplace, with a demonstrated capability to supply the City's estimated demand over a three year term with competitive pricing and meeting the City's service and quality requirements.

Strategic Analysis

The RFP was issued in the accordance with City's Procurement Policy ADMIN-008. The City received one response from Lafarge Canada Inc. The response was evaluated through the work of an evaluation team comprised of representatives from Engineering Services (Streets Operations and Materials Lab) under the stewardship of Supply Chain Management to ascertain if the response 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:

- Prices
- the proponent's company experience, reputation and history of successes especially as they relate to the City's objectives on this project;
- ability to offer quality products, warranties, delivery requirement to job sites and pick-up at the proponent's production plant;
- ability to provide business technology solutions which incorporate electronic billing, payment options, and reporting; and
- demonstrated ability to adhere to City's values, including GHG emission and other sustainability considerations.

Based on the overall review of the proposal, the evaluation team concluded to recommend the contract award to Lafarge Canada Inc.

Implications/Related Issues/Risk (if applicable)***Sustainability***

Lafarge has demonstrated responsible practices throughout its organization to minimize the environmental impact including following sustainability contributions

- 50% low carbon fuel is used to substitute fossil fuel at the local cement plant;
- use recycled concrete to substitute virgin aggregates to divert the waste from landfill
- 80% of cement production is Portland Limestone Cement (PLC) which incur lower carbon footprint;
- consistently meet decreasing emissions intensity targets set by BC MOE since 2014
- Fleet is equipped with software for efficient delivery and self-contained bucket for washouts

These practices result in lower embodied energy products being used in Engineering applications.

Financial

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or service and concurs that funding is available from the 2019 Engineering Streets Operating and Capital Approved Budgets. The 2020 and beyond expenditures for this contract are subject to the Council approval of the 2020 Multi-Year Capital Budget and the Annual Operating Budget.

As a result of the RFP, the City is able to achieve cost certainty for the proposed three (3) - year 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 three (3) two (2) - year terms, with Lafarge Canada Inc., for the supply and delivery of ready mix concrete.

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