



ADMINISTRATIVE REPORT

Report Date: September 10, 2019
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Meeting Date: October 2, 2019

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

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering Services, the City's Director of Legal Services, and the City's Chief Procurement Officer and enter into a contract with Mainland Construction Materials ULC for the supply and delivery of mineral aggregates, for an initial term of three (3) years, with the City's option to extend for three (3) additional two (2) year terms, with an estimated contract value of \$13,745,250 plus applicable taxes over the initial 3-year term, which will be funded through the 2019 Engineering Operating and Capital Approved Budgets.
- B. THAT the City's 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 ("RFP"), PS20190495 on June 10, 2019 for the supply and delivery of mineral aggregates. 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, 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 Mainland Construction Materials ULC.

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 Mainland Construction Materials ULC as the successful proponent.

REPORT

Background/Context

The City’s Department of Engineering Services requires a continuous demand for mineral aggregates for various uses, including in asphalt mix, in ready mix concrete and as fill for sewer and water construction, road construction and maintenance projects to support various projects and various departments.

The mineral aggregates may be delivered from self-unloading barges or other marine transport to the City’s Kent Yard on the Fraser River and using a portable conveyor or similar equipment to unload the mineral aggregates to the City’s conveyor system. Alternatively, mineral aggregates may be picked up by the City or the City may request delivery of products by truck.

The current contract will expire on December 31, 2019. The purpose of the RFP was to identify a supplier(s) with demonstrated capability to meet the City’s estimated demand over the term of the contract at competitive pricing and satisfactory service requirements.

Strategic Analysis

The RFP was issued in the accordance with City’s Procurement Policy ADMIN-008. The City received responses from the following proponents:

PROPONENT	
Lafarge Canada Inc. (“Lafarge”)	Compliant Bid
Mainland Construction Materials ULC (“Mainland”)	Compliant Bid
Lehigh Hanson (“Lehigh”)	Non-Complaint Bid – late submission

The responses were evaluated through the work of an evaluation team comprised of representatives from Engineering Services – Kent Materials Branch 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:

- Prices
- The proponent's company experience, reputation and overall capability in meeting the required items product specification
- Ability to meet the City's delivery requirements and safety operation requirements when products are unloaded at Kent Yard
- Demonstrated ability to adhere to City's values, including GHG emission, embodied energy consumption and other sustainability considerations

Based on the overall evaluation, the team concluded that the proposal submitted by Mainland Construction Materials ULC best met the City's requirements and provided the best overall value to the City.

Sustainability

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

- Invested a \$42 million crushing facility at the Cox Station Quarry location, which drastically reduced the embodied energy consumption by 31% in 2019.
- All mobile equipment used in production facility have been converted to 100% electric or tier 4 to 6 engines to reduce emissions. A plan is in place to convert the entire fleet to tier 6+ engines by 2026.
- Water used on site for dust suppression and washing of specialty aggregates is recycled through sedimentation ponds on site, back to the washing plant in a closed loop.
- Major recyclable consumables such as tires, lubricants and metals are reused and recycled.
- Significantly reduced the annual fuel consumption by over 641,000 litres (68%) by relocating the new crushing facility much closer to the mine to reduce the gravel hauling distance by approximately 90%.
- Actively participate in preserving wildlife under the Wildlife Habitat Council in making every effort to help animals such as deer, osprey, ducks, salmon thrive in the wild.
- Actively support the local community by hosting educational programs relating to providing learning opportunities in areas such as earth sciences and mining and have even extended programs in adult substance abuse recovery program and schools for the deaf.

These sustainability contributions result in lower embodied energy products being used in engineering applications.

Financial Implications

Finance has reviewed and confirmed that funding is available from the 2019 Engineering 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 and 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 City's option to extend the contract for an additional three (3) two(2) year terms, with Mainland Construction Materials ULC, for the supply and delivery of mineral aggregates.

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