



ADMINISTRATIVE REPORT

Report Date: October 7, 2019
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VanRIMS No.: 08-2000-20
Meeting Date: November 6, 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 Concrete Pipe

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 to enter into a contract with Ocean Pipe, a Division of Lehigh Hanson Materials, Limited for the supply and delivery of concrete pipe, 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 \$4,808,007 plus applicable taxes over the initial three (3)-year term, to be funded through the 2019 Engineering Capital Approved Budgets and future Capital Budgets.
- B. THAT the Director of Legal Services, the Chief Procurement Officer and the 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

On July 11, 2019, the City issued a Request for Proposal (RFP) (No. PS20190562) for the supply and delivery of concrete pipe. 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 Ocean Pipe, a Division of Lehigh Hanson Materials, Limited.

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 Ocean Pipe, a Division of Lehigh Hanson Materials, Limited, as the successful proponent.

REPORT

Background/Context

The City's sewerage system consists of over 2,100 km of sewer mains connected by 31,000 maintenance holes (MHs) and has been using concrete pipes and MHs for over 100 years.

The City's Engineering Services Department maintains an ongoing sewer asset management program that reviews the age and condition of the pipe system to maintain the condition of the sewerage network. The program identifies pipe sections that have reached the end of their service life and selects them for replacement.

The products may be picked up by City trucks or City-hired trucks, and/or ordered for delivery by the supplier to City job sites.

The current contract will expire on December 31, 2019. The purpose of the RFP was to identify a supplier(s) with demonstrated capability to supply the City's estimated demand over the term of the contract at competitive pricing and meeting the City's service and technical 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	
Ocean Pipe, a Division of Lehigh Hanson Materials, Limited ("Ocean Pipe")	Compliant Bid
Langley Concrete & Tile Ltd. ("Langley Concrete")	Compliant Bid
Diamond Precast Concrete Ltd. ("Diamond Precast")	Compliant Bid

The responses were evaluated through the work of an evaluation team comprised of representatives from Engineering Services, Sewer and Drainage Design 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, service capabilities, warranty; and

- 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 Ocean Pipe best met the City's requirements and provided the best overall value to the City.

Sustainability

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

- A portion of the pipe is made using a vibration under pressure ("VUP") forming method, instead of conventional wet mix process, which consumes 43% less water;
- No hazard/toxic air emissions are produced at the plant by using cartridge filters and baghouses to manage dust from their silos;
- More GHG emissions reductions by locating in the central Vancouver, which substantially reduces the delivery distance comparing with other suppliers in the lower mainland;
- Waste/process water is collected in large containment structures onsite and reused for dust control and yard watering;
- Waste pipe/concrete is broken down and shipped to neighboring Lehigh Materials depot for crushing and subsequent reuse as road base; and
- All waste oil is contained onsite in above ground storage tanks and recycled.

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

Implications/Related Issues/Risk

Financial

Finance has reviewed the cost of the goods and/or service and concurs that the current multi-year budgets and 2019 Annual Capital Expenditure Budget are available for the 2019 planned expenditures. The expected expenditure from the contract for 2020 and beyond will be requested as part of the 2020 (and future) Capital Budgets. The multi-year funding has been included in the Sewer 2019-2022 Capital Plan, subject to Council approval during the Annual Budget process. Concrete pipes are to be ordered on an "as-needed" basis during the three (3)-year contract term and will be subject to approved available budgets.

As a result of the RFP, the City is able to achieve cost certainty for the proposed initial 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 recommend 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 Ocean Pipe, a Division of Lehigh Hanson Materials, Limited, for the supply and delivery of concrete pipe.

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