



REPORT

Report Date: December 24, 2019
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Meeting Date: January 22, 2020
[Submit comments to Council](#)

TO: Standing Committee on City Finance and Services
FROM: General Manager of Engineering Services and Chief Procurement Officer
SUBJECT: Contract Award for Asphalt, Concrete and Rock Crushing Services

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 Regehr Contracting Ltd., for the provision of asphalt, concrete and rock crushing services, for an initial term of three (3) years, with the City's option to extend for two (2) additional one (1) year terms, with an estimated contract value of \$3,742,846 million plus applicable taxes over the initial 3-year term. Funding is available from the 2020 Engineering Operating and Capital Approved Budgets for the first year. The 2021 and beyond expenditures for this contract are subject to the Council approval of the 2021 Annual Capital and Operating 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"), PS20190912 on August 9, 2019 for the provision of asphalt, concrete and rock crushing services. The RFP was advertised 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 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 Regehr Contracting Ltd.

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 Regehr Contracting Ltd. as the successful proponent.

REPORT

Background/Context

The City's Department of Engineering Services operates its own asphalt, aggregate and concrete plants at Kent Materials Branch (Kent Yard). To meet production requirements the City issued an RFP to seek a proponent who is able to provide asphalt, concrete and rock crushing services and can meet the City's operational and budgetary requirements.

Crushed recycled aggregates are used to meet the City's operational requirements, including requirements for the Vancouver Landfill (VLF). Reclaimed concrete, rock, and asphalt slab from various projects are delivered by City crews to Kent Yard. The reclaimed concrete, rock, and asphalt are then crushed to varying specified recycled aggregate products for reuse by the City's operations crews. The services provider uses their own loader and/or excavator to take slab directly from an existing pile to their crusher, where the material is crushed and processed to a specified size and then stockpiled and managed by the services provider.

Based on the last three years of production, 180,000 tonnes of product is crushed annually; approximately 145,000 tonnes at Kent Yard (up to 1,500 tonnes per day) and 35,000 tonnes at VLF. Annual crushing volumes have varied from year to year, but have gradually increased overall since 2011. City crews are using more recycled reclaimed materials (aggregate) due to a consistent supply of asphalt and concrete slab for reuse. The forecast for recycled aggregate use is based upon historical data of the various product streams including the use of recycled asphalt pavement ("RAP") in asphalt production.

The current contract expired on December 31, 2019. The purpose of the RFP was to identify a supplier with demonstrated capability to meet the City's volume and specification requirements over the term of the contract, while providing competitive pricing and satisfactory service.

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	
MacAgg Crushing Ltd. (McIntyre)	Compliant Bid
Regehr Contracting Ltd.	Compliant Bid
Riverside Ready Mix Inc.	Compliant Bid
Fairway Recycle Group Inc.	Non-Complaint Bids
Poschner Construction (88) Ltd	

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:

- Ability to satisfy service requirements, ability to process required material specifications and ability to meet operational, safety and logistical requirements;
- Ability to satisfy customer service requirements, such as; meeting service level agreements; providing dedicated account management and providing robust reporting;
- Ability to provide environmental leadership including mitigating various emissions while maximizing production streams and product offerings, and understanding or verifying a high operational production process, up to and including a defined environmental management system.
- Market competitive pricing

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

Sustainability

Regehr has demonstrated responsible practices throughout its organization to minimize the environmental impact including compliance with the City's Supplier Code of Conduct.

Kent Yard records the volume of greenhouse gases that have been saved by avoiding the need to transport asphalt and concrete slab material to VLF, and crushing the material in the City to be reused as recycled aggregates and avoiding the purchase of newly mined aggregates and transport. Figures currently used include 0.003 t CO₂e per materials and approximately 0.003 t CO₂e transport savings per tonne of recycled aggregates produced. Since 2014, by not purchasing new aggregates (produced from a mine) it is calculated that approximately 4,200 tonnes in CO₂ equivalency has been saved, not including the reduction in time and distance to transport asphalt and concrete slabs to an alternate site. Kent will be undergoing a review of GHG and energy savings considering the evolution of the crushing and reuse process.

Regehr will provide details on their actions to reduce the GHG emissions for their vehicles and heavy equipment operated in Metro Vancouver (tier 3 or higher non- road diesel engines/equipment) including specific crushing or screening equipment which can be operated as diesel-electric or full electric options (with assistance from the City to introduce a charging station). The City will enter into discussions with Regehr to implement a transition plan to electrify their identified diesel crushing and sorting equipment within the initial year of this contract.

In terms of compliance to health and safety regulations, all heavy equipment is required to comply with Non-Road Diesel Engine Emission Regulations and Kent Yard's Crystalline Silica Exposure Control Plans. As well, a draft comprehensive site safety plan provided by Regehr will be further developed in conjunction with Kent Yard staff once the contract is awarded.

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 2020 Engineering Operating and Capital Approved Budgets for year 1. The 2021 and beyond expenditures for this contract are subject to the Council approval of the 2021 and beyond Annual Capital and Operating Budget. The material is to be ordered on an "as-needed" basis during the contract term and will be subject to approved available budgets. For this RFP quantities were estimated, thus actual volumes will vary depending on requirements and approved 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 two (2) one (1) year terms, with Regehr Contracting Ltd., for the provision of asphalt, concrete and rock crushing services .

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