



REPORT

Report Date: June 14, 2023
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Meeting Date: June 28, 2023

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

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate and enter into a contract with EMCO Corporation, for supply and delivery of ductile iron pipe, for a term of three (3) years, with the option to extend the term for three (3) additional periods of two (2) year each, with an estimated contract value of \$16,920,465, plus applicable taxes over the initial three-year term, to be funded through the approved 2023 – 2026 Engineering Capital Plan.
- B. 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.
- 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 November 25, 2022, the City issued its Request of Proposals No. PS20220141-ENG-RFP (the "RFP") seeking proposals for the supply and delivery of ductile iron pipe used in the construction of the City's water distribution system. The RFP was posted on the City of Vancouver Jaggaer e-Sourcing platform and the work was called in accordance with the terms and conditions of the City's Procurement Policy ADMIN-008. City staff on the RFP evaluation committee and, subsequently, the Bid Committee have considered the proposals received, and on that basis recommend that the City negotiate and if such negotiations are successful enter into a contract as described above with EMCO Corporation.

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 EMCO Corporation as the successful proponent.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

The City's water system consists of nearly 1500 km of water mains of varying sizes and material types used to transport bulk treated drinking water purchased from Metro Vancouver to the businesses and residents of Vancouver. The Engineering Services Department's asset management program incorporates the age, failure history, material and environmental conditions of the water system inventory to prioritize pipe sections reaching end of service life for replacement. Approximately 0.9% of the drinking water main network is replaced annually through the capital water main renewal program.

In accordance with the City's procurement policy, an RFP was issued on November 25, 2022 with a product mix for the estimated demand over three years, including services and requirements such as delivery of pipe directly to the job site, inspection and testing process, pipe handling, acceptance and quality control, warranty and inventory management.

Strategic Analysis

The RFP was issued publicly in the accordance with City's Procurement Policy ADMIN-008. The City also notified directly two known suppliers, Canada Pipe Company ULC and EMCO Corporation, and received proposals from both. The responses were evaluated through the work of an evaluation team comprised of staff in Engineering Services (Waterworks Design, Waterworks Operations) and Supply Chain Management (Store Operation) 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:

- Financial offering;
- 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 the City's warehouse;

- Ability to meet the City's inventory requirements, lead time and overall services factors; and
- Demonstrated ability to provide value added offer and adhere to City's values, including sustainability.

Based on the overall evaluation, the team concluded that the proposal submitted by EMCO Corporation provided best overall value to the City.

Financial Implications

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or service and concurs that funding is available in the approved budget for 2023 from the Waterworks Distribution Main Replacement, Transmission Main Replacement, and Growth Related Utility Upgrades Programs in the approved 2023-2026 Capital Plan.

As a result of the RFP, the City is able to achieve cost certainty over the initial three (3) - year term.

Environmental Implications

The recommended supplier has completed and agreed to the City's Supplier Code of Conduct and is committed to the sustainable business practices.

Legal Implications

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 option to extend the contract for three (3) additional periods of two (2) year term each, with EMCO Corporation, for supply and delivery of ductile iron pipe.

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