

#### COUNCIL REPORT

Report Date: June 21, 2023 Contact: Alexander Ralph Contact No.: 604.829.2092

RTS No.: 15826
VanRIMS No.: 08-2000-20
Meeting Date: July 12, 2023
Submit comments to Council

TO: Standing Committee on City Finance and Services

FROM: General Manager of Board of Parks and Recreation ("Park Board") and Chief

**Procurement Officer** 

SUBJECT: Pre-Qualification of Landscape and Civil Contractors

#### Recommendations

- A. THAT Council authorize City staff to implement the Parks Procurement Efficiency Program Construction ("PPEP-C"), in which the City will pre-qualify certain landscape and civil contractors and have them competitively bid, per PPEP-C's rules of engagement, on an estimated \$55M (plus applicable taxes) of landscape and construction projects, over a three-year term, funded through the City's capital and operating budgets in accordance with the terms generally described in this report.
- B. THAT Council delegate its authority to the City's Chief Procurement Officer to execute memoranda of understanding with each of the following pre-qualified landscape and civil contractors: Cedar Crest Lands BC Ltd., GPM Civil Contracting Inc., Lafarge Canada, Landesign Landscape Construction Ltd., Rust Investments Ltd., and Wilco Civil Inc., to participate in PPEP-C in accordance with the terms generally described in this report.
- C. THAT Council delegate its authority to the General Manager of the Park Board and the Chief Procurement Officer to execute construction agreements with the landscape and civil contractor who submits the lowest bid, per PPEP-C's rules of engagement, for each landscape and construction project that City staff tenders to the pre-qualified landscape and civil contractors under PPEP-C.
- D. THAT no legal rights or obligations will be created by Council's approval of Recommendations A through C above unless and until the parties execute and deliver the legal agreements described in the Recommendations.

### **Purpose and Executive Summary**

Per the <u>Park Board Procurement Policy</u> approved in July 2022, and the City's Procurement Policy ADMIN-008, all programs with values over \$2 million must be approved by Council and Vancouver Park Board following review and recommendations by the Bid Committee. City staff are seeking Council's approval of a deviation from the delegated contract award authority from those policies in relation to their approval of the implementation of the Parks Procurement Efficiency Program – Construction ("PPEP-C") and the Pre-Qualification for Landscape and Civil Contractors.

The purpose of the PPEP-C program is to enable City staff to pre-qualify landscape and civil contractors and then quickly execute construction agreements to complete urgent work in the City's parks. All of the agreements that the City executes under PPEP-C will be competitively bid per PPEP-C's rules of engagement.

The City issued Request for Application No. PS20230245-VBPR-RFA — Pre-Qualification for Landscape and Civil Contractors on April 19, 2023. The RFA was posted publically with 13 known contractors directly notified about the opportunity and the work was called in accordance with the terms and condition of the City's Procurement Policy ADMIN-008. City and Park Board staff on the RFA evaluation committee and, subsequently, Bid Committee have considered the responses received, and on that basis recommend that the Park Board negotiate and, if such negotiations are successful, enter into Memoranda of Understanding with Cedar Crest Lands BC Ltd., GPM Civil Contracting Inc., Lafarge Canada, Landesign Landscape Construction Ltd., Rust Investments Ltd., and Wilco Civil Inc. to be issued approximately \$55M worth of park construction work on an as-needed, project by project basis, through competitive tenders. Each of the prequalified contractors has demonstrated a capability to meet the City's estimated demand over the three-year term of the program with competitive pricing and satisfactory service requirements.

When the Park Board identifies a project under PPEP-C, City staff will issue a Request For Service (RFS) to each of the pre-qualified landscape and civil contractors in the form included under the memoranda of understanding that each contractor has signed with the City. Each pre-qualified contractor that is interested in the project will submit a competitive bid to the City. The lowest bidder will be awarded the contract. City staff will not return to Council to approve the individual contracts that are awarded under the PPEP-C program. In this way, PPEP-C is a deviation from the delegated contract award authority from the City's and the Park Board Procurement Policies. Notwithstanding the foregoing, Supply Chain Management will report individual contract awards to Council on a quarterly basis.

### **Council Authority/Previous Decisions**

As per the <u>Vancouver Charter</u>, the Park Board has exclusive jurisdiction and control over all areas designated as permanent and temporary parks in the City of Vancouver, including any structures, programs and activities, fees, and improvements that occur within those parks.

As per the <u>Park Board Procurement Policy</u> approved in July 2022, all programs with values greater than \$750,000 require Vancouver Park Board approval, with Bid Committee and Chief Purchasing official concurrence.

Council has previously approved similar programs that are deviations from the City's Procurement Policy ADMIN-008:

- Sewer Pump Station Contractor Prequalification
- City-Wide Construction Contract (CCWC)
- Contractors for Landfill Gasworks Program

## **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

# **Context and Background**

The Parks Procurement Efficiency Program – Construction (PPEP-C) is a 3-year procurement program that:

- 1. Creates a list of pre-qualified landscape contractors, vetted through the City's procurement process to support capital delivery for the Board of Parks and Recreation;
- 2. Bundles Bid Committee, Park Board and City Council approvals, in advance, at the beginning of the 3-year program; and
- 3. Supports the execution of Parks construction projects on an as-needed basis, through PPEP-C, by competitive tenders, per the program's rules of engagement.

Successful contractors have been evaluated using mainly qualitative analysis, allowing proposed project price to be the sole criterion for subsequent individual construction procurements, expediting procurement timelines. This program would accelerate procurement timelines by up to approximately 2 months, at a time when escalation is approximately 1-2% per month. The prequalified list supports contractor management and quality control, enhanced fiscal responsibilities and escalation control, increased implementation efficiency due to improved quality control, and reduced administration.

Bid Committee has approved this proposed deviation from standard procurement policy and Staff is seeking approval from Council on this strategy to look for process efficiencies.

### Discussion

The RFA was issued in the accordance with the City's Procurement Policy ADMIN-008. The purpose of the RFA was to identify suppliers with demonstrated capability to meet the Park Board's estimated demand over the term of the contract at competitive pricing and satisfactory service requirements.

The City received responses from the following:

- Blue Pine Enterprises Ltd.
- Cedar Crest Lands BC Ltd.
- Fricia Construction Inc.

- GPM Civil Contracting Inc.
- Holland Landscapers Inc.
- Lafarge Canada Inc.
- Landesign Landscape Construction
- Marathon Surfaces Inc.
- Rust Investments Ltd.
- Wilco Civil Inc.

The responses were evaluated, using qualitative factors while quantitative factors were limited to a review of personnel compensation and equipment pricing. The evaluation was completed by an evaluation team comprised of representatives from the Park Board Park Development team under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City. The evaluation team examined the applicants' responses to the RFA against pre-agreed evaluation criteria and weighting. Supply Chain Management evaluated and scored the Sustainability section.

Some of the Criteria considered in the overall evaluation process included:

- Expertise and Experience (Appendix A contains more detail on the evaluation criteria)
- Key Personnel
- Sub-Contractor Procurement
- Project Challenges and Alternative Solutions
- Quality Control
- Overall Personnel and Equipment Pricing
- Sustainability

Based on the overall evaluation, the following applicants will be offered the opportunity to enter into memoranda of understanding and participate in the program:

- Cedar Crest Lands BC Ltd.
- GPM Civil Contracting Inc.
- Lafarge Canada Inc.
- Landesign Landscape Construction
- Rust Investments Ltd.

Wilco Civil Inc.

# **Financial Implications**

The Board of Parks and Recreation Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or service and concurs that funding is available from the Park Board 2019-2022 and 2023-2026 Capital Plans.

This program would accelerate procurement timelines by up to approximately 2 months, at a time when construction price escalation is approximately 1-2% per month.

## **Legal Implications**

Typically, Park Board Procurement Policy requires that all contracts awarded by the Park Board and valued over \$750,000 will be signed by the Chief Procurement Officer and the Vancouver Park Board General Manager.

The City's Procurement Policy typically requires that all contracts awarded by Council valued at \$2,000,000 or greater be signed by the Chief Procurement Officer, the Vancouver Park Board General Manager and the Director of Legal Services. If Council approves the Recommendations above, then the City's Chief Procurement Officer and the Park Board's General Manager will be authorized to execute the construction agreements described above on behalf of the City.

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### **Expertise and Experience**

The applicants that put forward their information for this RFA were evaluated on their expertise and experience, which requested demonstrated experience in the following:

- · General Conditions and Site Preparation;
- Demolition and Earthworks;
- Drainage and Municipal Infrastructure, including Green infrastructure;
- Softscape;
- Landscape and Growing Medium;
- Landscape Maintenance;
- Sports Fields (Natural or Synthetic Turf) and Sports Courts;
- Furnishings and Play Equipment (including Recirculating Water Play Features);
- Hardscape;
- Structures; and
- Knowledge of Electrical Systems