



COUNCIL REPORT

Report Date: September 5, 2023
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Meeting Date: October 4, 2023
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TO: Standing Committee on Policy and Strategic Priorities
FROM: General Manager of Engineering Services and Chief Procurement Officer
SUBJECT: Green Infrastructure Pre-Qualification of Landscape and Civil Contractors

Recommendations

- A. THAT Council authorize City staff to implement the Green Infrastructure Construction Efficiency Program (“GICEP”), in which the City will pre-qualify certain landscape and civil contractors and have them competitively bid, per GICEP’s rules of engagement, on an estimated \$20,000,000 (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., Complete Utility Contractors Ltd, GPM Civil Contracting Inc, Jack Cewe Construction Ltd., Landesign Landscape Construction, North Construction Ltd., and Vane Lawn & Garden Services, to participate in GICEP in accordance with the terms generally described in this report.
- C. THAT Council delegate its authority to the General Manager of Engineering and the Chief Procurement Officer to execute construction agreements with the landscape and civil contractor who submits the lowest bid, per GICEP’s rules of engagement, for each landscape and construction project that City staff tenders to the pre-qualified landscape and civil contractors under GICEP.
- 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

The purpose of the GICEP program is to enable City staff to pre-qualify landscape and civil contractors and then quickly execute construction agreements to complete urgent work in for the City's Green Infrastructure projects. Given the current rate of inflation in construction costs, the opportunity to expedite procurement processes will deliver material savings on major capital projects.

The City issued Request for Application PS20230407-ENG-RFA – Landscape and Civil Contractors - Green Infrastructure Pre-qualification (GICEP) on May 23, 2023 in accordance with the terms and conditions of the City's Procurement Policy ADMIN-008. City staff are recommending entering into a memoranda of understanding with seven pre-qualified contractors that have demonstrated that they are the most competent to perform this type of work through the procurement evaluation process.

City staff intend to issue approximately \$20,000,000 worth of construction work during the next three years to the GICEP contractors on an as-needed, project-by-project basis, through competitive tenders. City staff will be awarding contracts based on lowest bid price and will be reporting on the value of these contracts to Council on a quarterly basis. This will ensure straightforward decision-making and public transparency.

Per the City's Procurement Policy ADMIN-008, all programs with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. City staff are seeking Council's approval forego Bid Committee or Council review of individual contract awards under the GICEP program and authorize the General Manager of Engineering Services and the Chief Procurement Officer to award and execute the construction agreements for each applicable project undertaken through GICEP. Council has previously approved similar pre-qualification programs.

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 the creation of GICEP, including entry into memoranda of understanding with seven vendors to establish a pre-qualification list.

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

- Sewer Pump Station Contractor Pre-qualification
- City-Wide Construction Contract (CCWC)
- Contractors for Landfill Gasworks Program
- Parks Procurement Efficiency Program – Construction (PPEP-C)

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The Green Infrastructure Construction Efficiency Program (GICEP) is a 3-year procurement program that:

1. Creates a list of pre-qualified landscape and civil contractors, vetted through the City's procurement process to support capital delivery for Engineering;
2. Bundles Bid Committee and City Council approvals, in advance, at the beginning of the 3-year program; and
3. Supports the execution of Green Infrastructure construction projects on an as-needed basis, through GICEP, by competitive tenders in accordance with GICEP's rules of engagement.

The City of Vancouver is undertaking various small to large scale street level and subsurface green infrastructure projects within the City right of way. Projects range in size from green infrastructure bio-retention bulges to larger streetscape projects within the Broadway Plan area. There is a large emphasis on green rainwater infrastructure implementation along with civil infrastructure concrete works and utility tie-ins. Example projects include but are not limited to:

1. Green infrastructure rehabilitation including excavation, regrading, concrete sediment pad installation, soil and plant installation and warranty;
2. Installation of stormwater tree trenches and bio-retention facilities off the roadway, including removal of existing concrete and/or asphalt, installation of soil cells and structural soil, structural weir walls, tree installation, inlet grading, underdrain installation, sidewalk replacement, catch basin install, and storm tie-in;
3. Permeable pavement installation including subgrade preparation;
4. Wetland construction, including riparian planting with trees, stormwater treatment, and a viewing platform;
5. New plaza installation including park and green infrastructure attributes, bike lane construction, grading and curb work; 6. Road reconstruction, including sub base, base, curb and gutter, sidewalk and asphalt installation.

The City has also received a federal grant from Infrastructure Canada to implement \$31.5 million in Green Infrastructure projects by December 2024. The pre-qualification list under GICEP will assist in procuring contractors at an expedited pace to help meet these tight implementation timelines.

The creation of GICEP would allow the City to call for required services, as and when the need arises, in accordance with the applicable rules of engagement established at the onset of the program.

While those selected pre-qualified contractors are identified as the City's preferred suppliers for the type of services contemplated in the RFA, these pre-qualified suppliers will not have an

exclusive supply relationship with the City. The City may also procure services that are similar or the same as the services contemplated in this RFA through other public procurements solicitations, if the City deems such an approach would provide additional value at the City's discretion.

Advantages to the creation of the GICEP program include:

- Consolidating the City's GI construction requirements with selected, high-performing contractors;
- Reducing the need for multiple one-off market events;
- Expediting the procurement processes and reducing administration of the approval process through bundled Bid Committee and Council approvals;
- Ensuring consistency on City agreement requirements;
- Engaging the pre-qualified consultant firms through proper "rules of engagement" thresholds that are structured by referencing historical average contract values;
- Providing an opportunity for better contract management and vendor performance management;
- Peak work load shaving; and
- Timely delivery of commitments including climate change emergency initiatives.

Bid Committee has approved this strategy and City staff is seeking approval from Council on this proposed deviation from the Procurement Policy to achieve process efficiencies.

Discussion

The RFA was issued in accordance with the City's Procurement Policy ADMIN-008. The City received responses from eleven applicants:

- Blue Pine Enterprises Ltd
- Cedar Crest Lands BC Ltd.
- Clearway Construction Inc.
- Complete Utility Contractors Ltd
- GPM Civil Contracting Inc
- Jack Cewe Construction Ltd.
- Lafarge Canada Inc.
- Landesign Landscape Construction
- North Construction Ltd.
- Vane Lawn & Garden Services
- Wilco Civil Inc.

City staff on the RFA evaluation committee comprised of representatives from members of the Green Infrastructure Implementation Branch of Engineering Services and Supply Chain Management, with support from Legal Services 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 memoranda of understanding with Cedar Crest Lands BC Ltd., Complete Utility Contractors Ltd, GPM Civil Contracting Inc, Jack Cewe Construction Ltd., Landesign Landscape Construction, North Construction Ltd., and Vane Lawn & Garden Services. Each of the seven recommended pre-qualified contractors has

demonstrated the capability to meet the City's estimated demand over the three-year term of the program with satisfactory service requirements.

When Engineering identifies a project under GICEP, 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 making it a straightforward decision. City staff are recommending not returning to Council to approve the individual contracts that are awarded under the GICEP program. In this way, GICEP will provide process efficiencies, but the recommended approach is a deviation from the contract award authority under the City's Procurement Policy. Notwithstanding the foregoing, Supply Chain Management will report individual contract awards under the GICEP program to Council on a quarterly basis ensuring this way public transparency in the process.

Financial Implications

Finance has reviewed and confirmed that funding is provided through the Multi-year Capital Project Budget for Green Infrastructure Implementation. Council has provided budget approval for expenditures planned in 2023; expenditures for future years, while planned, will necessarily be subject to Council approval of future capital budgets.

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

Legal Implications

The City's Procurement Policy typically requires that all contracts awarded by Council valued at \$2 million or greater be signed by the Chief Procurement Officer, General Manager and the Director of Legal Services. If Council approves the Recommendations above, then the City's Chief Procurement Officer and the Engineering's General Manager will be authorized to award and execute the construction agreements described in this report for each applicable Green Infrastructure project undertaken through GICEP valued at \$2 million or greater on behalf of the City as an exception to the City's Procurement Policy ADMIN-008.

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