



COUNCIL REPORT

Report Date: June 20, 2024
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VanRIMS No.: 08-2000-20
Meeting Date: July 10, 2024
[Submit comments to Council](#)

TO: Standing Committee on Policy and Strategic Priorities
FROM: General Manager of Engineering Services and Chief Procurement Officer
SUBJECT: Contract Award for Supply and Delivery of Water Meters and Water Meter Assemblies

Recommendations

- A. THAT Council authorize City staff to negotiate an agreement with FlowSystems Distribution Inc. ("FlowSystems") for the supply and delivery of water meters and water meter assemblies for \$1,648,243 plus applicable taxes over an initial three-year term (the "FlowSystems Agreement"), with the City holding three two-year options to extend the FlowSystems Agreement, for a total value of \$4,944,729 plus applicable taxes over the potential nine-year term.
- B. THAT Council authorize City staff to negotiate an agreement with Fred Surridge Ltd. ("Fred Surridge") for the supply and delivery of water meters and water meter assemblies for \$2,345,185 plus applicable taxes over an initial three-year term (the "Fred Agreement" and, together with the FlowSystems Agreement, the "Agreements"), with the City holding three two-year options to extend the Fred Agreement, for a total value of \$7,035,555 plus applicable taxes over the potential nine-year term.
- C. THAT Council delegate its authority to execute the Agreements to the City's Director of Legal Services, Chief Procurement Officer, and General Manager of Engineering Services.
- D. THAT No legal rights or obligations will be created by Council's approval of Recommendations A, B and C unless and until the City executes and delivers the Agreements.

Purpose and Executive Summary

The City issued a Request for Proposal ("RFP") No. PS20240683-ENG-RFP - Supply and Delivery of Water Meters and Water Meters Assemblies on March 4, 2024. The City advertised the RFP on the City of Vancouver website in accordance with 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 recommended that the City negotiate the agreements with FlowSystems and Fred Surridge.

Council Authority/Previous Decisions

The City's Procurement Policy (ADMIN-008) requires Council approve contracts with a total value greater \$3,000,000 following review and recommendations by the City's Bid Committee. The Bid Committee has considered the bids and recommends FlowSystems and Fred Surridge as the successful proponents.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The City's Department of Engineering (Waterworks Design and Waterworks Operations) requires a contract(s) to address an ongoing requirement for 1) water meters for all sizes to replace existing aging meters and new commercial properties, and 2) pre-assembled water meter assembly packages for installation on new and renovated single detached homes. Meters must be replaced at the end of their life cycle to maintain a network of meters that capture consumption accurately. Water meters are installed and maintained by the Waterworks Operations group and are an important aspect of the City's Greenest City Action Plan to track and provide feedback regarding water consumption. All new institutional, commercial, industrial, and residential developments are required to have water meters installed before occupancy.

The purpose of the RFP was to identify a supplier(s) with the capability to meet the City's requirements for supply and delivery water meters and water meter assemblies while offering a competitive price and satisfactory service. Specific technical and service requirements including delivery lead-time, size, type, materials, compliance to specifications and AWWA standards, and compatibility with the City's remote registration system were specified in the RFP. This detailed RFP was developed with the aim of securing a long-term supply and delivery of water meters and water meter assemblies.

The Bid Committee has awarded a separate contract for water meters and water meter assemblies to KTI Limited ("KTI") for an amount that is below \$3,000,000 over the potential nine-year term of the contract.

Discussion

The RFP was issued in accordance with the City's Procurement Policy (ADMIN-008).

The City received responses from

- Elster Solutions Canada, Inc. ("Elster");
- KTI Limited ("KTI");
- Flocor Inc. ("Flocor")
- FlowSystems Distribution Inc. ("FlowSystems")
- Iconix Waterworks ("Iconix")
- Fred Surridge Ltd. ("Fred Surridge")
- Western Water and Gas Products Ltd. ("Western Water")

The responses were evaluated, using both quantitative and qualitative factors, by an evaluation team comprised of representatives from Engineering Services (Waterworks Design and Waterworks Operations), under the stewardship of Supply Chain Management, to assess each response's overall value.

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

- The proponent's experience, reputation, and history of success;
- Product compatibility to the City's current AMR technology, low maintenance design, user friendly installation, test plugs;
- Price;
- Ability to meet the City's service requirements including, but not limited to, delivery lead time, Supplier's inventory level, product replacement, temporary products, back-orders, returns and restocking; and
- Demonstrated ability to adhere to City's values, including sustainability.

Based on the overall evaluation, the evaluation team concluded that the proposals submitted by FlowSystems and Fred Surrige met the City's requirements and provided the best overall value to the City.

Financial Implications

Funding for the costs associated with the recommended contract awards is available within the approved 2023-2026 Capital Plan. The funding has been included in the Multiyear Approved Capital Budgets of the 2023-2026 Aging Meter Replacement Program, the 2023-2026 New Water Meters to Support Growth Program, and the 2023-2026 New and Upgrade Connections Programs. Water meters and water meter assemblies are to be ordered on an "as-needed" basis during the contract term and will be subject to the approved available budget.

The quantities for this RFP were estimated, thus actual quantities will vary depending on actual needs and approved budget. As a result of the RFP, the City is able to achieve cost certainty for the proposed initial three-year contract term.

Legal Implications

The City's Procurement Policy (ADMIN-008) requires the Director of Legal Services to execute all contracts that have been awarded by the Bid Committee and Council.

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