



## ADMINISTRATIVE REPORT

Report Date: March 12, 2018  
Contact: Nick Kassam  
Contact No.: 604.829.2097  
RTS No.: 12377  
VanRIMS No.: 08-2000-20  
Meeting Date: April 18, 2018

TO: Standing Committee on Policy and Strategic Priorities  
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 to the satisfaction of the City's General Manager of Engineering, City's Director of Legal Services, and the City's Chief Procurement Officer and enter into a contract with Canada Pipe Company ULC, for supply and delivery of ductile iron pipe, for a term of three (3) years, with the option to extend the term for two(2) additional periods of one(1) year each, with an estimated contract value of \$3,139,972, plus applicable taxes over the initial three-year term, to be funded through the Engineering water capital programs;
- FURTHER 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.
- B. 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 17, 2017, the City issued its Request of Proposals No. PS20171941 (the "RFP") seeking proposals for the supply and delivery of ductile iron pipe. The RFP was posted on the City of Vancouver website and on BC Bid. The RFP evaluation committee and the Bid Committee have considered the proposals received in response to the RFP and on that basis recommend that the City negotiate and if such negotiations are successful enter into a contract as describe above with Canada Pipe Company ULC.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

The City's Procurement Policy AF-015-01 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 Canada Pipe Company ULC, as the successful proponent.

## **REPORT**

### **Background/Context**

The City's water system consists of 1,470 km of water mains of varying sizes and material types used to transport to the businesses and residents of Vancouver bulk water purchased from Metro Vancouver. The Engineering Services Department maintains an ongoing water main replacement program to ensure that our assets can deliver an uninterrupted supply of clean water. The program serves to identify pipe sections that have reached the end of their service lives and selects them for replacement.

The most recent City contract for ductile iron pipe expired on March 15, 2018. By way of the RFP the City has sought proposals from qualified suppliers in the marketplace, with the ability to supply the City's estimated demand over a three year term with competitive pricing and meeting the City's service requirements. Such service requirements include services for delivery of pipe directly to the job site, inspection and testing processes, pipe handling and acceptance and quality control.

### **Strategic Analysis**

The RFP was issued in the accordance with City's Procurement Policy AF-015-01. The City received responses from Canada Pipe Company ULC and EMCO Corporation. The responses were evaluated through the work of an evaluation team comprised of staff in Engineering Services (Waterworks Design, Waterworks Operations) 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:

- cost for the goods and services;
- 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 provide business technology solutions which incorporate electronic billing, payment options, and reporting; and
- demonstrated ability to adhere to City's values, including sustainability.

Based on the overall evaluation, the team concluded that the proposal submitted by Canada Pipe Company ULC provided best overall value to the City.

***Financial Implications***

The contract is on an as needed basis and Finance has reviewed and confirmed that funding will be available from future Engineering water capital programs. As a result of the RFP, the City is able to achieve cost certainty and is forecasting a savings of approximately 8.6% over the initial three (3) - year term. Actual savings will vary depending on volumes and quantities.

***Legal***

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council are to be signed by the Director of legal Services.

***CONCLUSION***

In summary, City staff recommends that the City of Vancouver negotiate and enter into a contract for a term of three (3) years, with the option to extend the term for two(2) additional periods of one(1) year each, with Canada Pipe Company ULC, for supply and delivery of ductile iron pipe.

\* \* \* \* \*