



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** March 6, 2020

**From:** Jerry Chong  
Director, Finance

**File:** 02-0745-01/CL Vol. -

**Re:** 2019 Annual Procurement Report

### Staff Recommendation

That the staff report titled, "2019 Annual Procurement Report", dated March 6, 2020 from the Director of Finance, be received for information.

Jerry Chong  
Director, Finance  
(604-276-4064)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
REVIEWED BY SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO 

## Staff Report

### Origin

This report to Council is to provide information regarding the City's procurement activities during the 2019 calendar year and procurement metrics. This report supports Council's Strategic Plan 2018–2022 Strategy #5 Sound Financial Management:

*Accountable, transparent, and responsible financial management that supports the needs of the community into the future.*

*5.1 Maintain a strong and robust financial position.*

*5.3 Decision-making focuses on sustainability and considers circular economy principles.*

### Analysis

The Procurement Policy 3104 provides direction from Council for the procurement of goods and services for the City with respect to contract approval authority limits, contract signing authority, sustainable and ethical procurement. The City continues to promote a commitment to process transparency, competitive bidding, sustainable procurement and a philosophy of continuous improvement.

The Purchasing department oversees the procurement of all goods and services on behalf of all City departments (and wholly-owned municipal corporations upon request) and awarded \$70,712,579 worth of contracts for goods, services and construction in 2019.

In 2019, Council directed staff to determine how circular economy considerations could be integrated within the City's procurement policy and purchasing practices. A cross-functional working group is in the process of developing a City-wide strategy and will be reporting back to Council later in the year with proposed policy enhancements and a framework for implementation.

The amended Purchasing Policy 3104 adopted by Council in September 2015, along with the purchasing guidelines, continue to augment the City's collaborative approach to strategic sourcing and strategic decision making on significant expenditures, increased compliance to policies and standardized systems and controls. In line with the City's Procurement policy, staff also ensure that sustainability-related considerations are reflected in tender specifications when appropriate and when economically feasible and taken into account when awarding contracts.

With the assistance of the Law Department, all of the City's competitive bid and contract documents were revised in 2019 to comply with relevant Trade Treaties (e.g. the Canadian Free Trade Agreement (CFTA), the Canada-EU Comprehensive Economic Agreement (CETA) and the New West Partnership Trade Agreement (NWPTA) that affect City procurement activities. These agreements commit government entities to a comprehensive set of rules for public procurements, which are designed to promote open procurement practices.

1. Procurement Achievements

The Purchasing Department continues to focus on delivering value through competitive tendering and leveraging spend where possible to execute contracts that support Council initiatives, department needs and mitigate risk for the City. This information is reported by staff in the City’s quarterly reporting and detailed vendor spend in the Annual Statement of Financial Information report.

Some of the key activities and achievements in 2019 that were realised, or directly contributed to through a procurement process led by the Purchasing Department working with stakeholders include:

- 6598P - Construction Services for No. 7 Road South Drainage Pump Station Upgrade, which was tendered for a value of \$8,416,000;
- 6534P - Construction Services for Westminster Highway Culvert Replacement, which was tendered for a value of \$2,325,600;
- 6418P - South Dike Upgrades from Gilbert Rd to No. 3 Rd, which was tendered for a value of \$4,879,000;
- 6279P - Shell Road North Drainage Pump Station Upgrade, which was tendered for a value of \$3,939,815;
- T.6445 - 2019 Paving program, which was tendered for a value of \$3,275,540;
- 6495P - Provision of Civil Engineering Consulting Services for Transportation Improvement Programs, which was tendered for a value of \$1,006,067;
- 6498P - Hugh Boyd Park - Synthetic Sports Surfacing Replacement, which was tendered for a value of \$1,499,000;
- T.6529 - Gateway Theatre Upgrade, which was tendered for a value of \$5,491,683; and
- T.6500 - City Centre Community Police Office Tenant Improvement Project, which was tendered for a value of \$4,705,500.

2. Procurement Statistics

The following are key procurement statistics for the period of January 1, 2019 to December 31, 2019:

Total Value of Competitive Bid Awards 2019	
(contracts awarded in excess of \$75,000) - Appendix 1	\$58,257,379
Total Value of all Purchase Order Contracts Awarded in 2019	\$70,712,579
Competitive Contracts Administered (in excess of \$75,000)	81
Sole/Single Source Awards*	\$10,672,289

Purchase Orders Issued	3,512
Purchasing Card Expenditures	\$ 6,779,625

\* Sole source procurement is the practice of contracting with one source when that source is the only available supplier or service provider possessing the ability to fulfil a requirement. Single source procurement is defined as deliberately concentrating purposes of a particular good or service with one source in preference over others in a competitive marketplace.

3. Council Approved Contracts

Council approval for Purchasing contracts follows Bylaw No. 8215 - Officer and General Manager. Examples of contracts approved by Council in 2019 were:

- Contract 6225P – Supply and Delivery of Apparatuses for Richmond Fire Rescue for \$1,085,258;
- Contract 6509Q - Mattress and Upholstered Furniture Recycling Services for \$1,029,185 over a maximum five (5) year term;
- Contract 6511Q - On-Call Plumbing Contractor services for \$1,500,000 for a maximum five (5) year term;
- Contract 6333Q - Supply and Delivery of Pool Chemicals for \$1,220,000 over a maximum five (5) year term; and
- Contract 6323P - City Hall Security Guard services for \$1,175,000 for a five (5) year term.

4. Competitive Bidding

The Purchasing Department facilitates the acquisition of goods, services and construction to meet internal organizational requirements and City projects through sourcing suppliers and products, competitive tendering, negotiating, procuring and contract management that helps ensure financial and administrative effectiveness.

In 2019, 81 bid opportunities in excess of \$75,000 were publically advertised on BC Bid that led to the award of over \$58M in contracts on behalf of City departments (listed in Appendix 1).

5. Purchasing Card Program

The City-wide Purchasing Card Program continues to provide value by simplifying the purchasing and payment process while lowering overall transaction and administrative costs per purchase. In 2019, City purchasing cards were used for over 20,000 transactions for a total spend of approximately \$6.8M. This represents an increase of approximately 9% in purchase card spend over the previous year and resulted in a rebate to the City of approximately \$66K.

## 6. Sole/Single Source Contract Awards

The Purchasing department processed a total of \$70.7M in contracts in 2019. Of that value, \$10.6M (14.3%) of contracts were awarded on a sole or single source basis. Of the \$10.6M sole/single source awards, \$2,480,000 related to Lap Pool 1 Reconstruction at the Minoru Centre for Active Living, which will be reimbursed through insurance.

A further \$2,045,096 of sole/single source contracts were awarded following the public posting of a Notice of Intent to Contract (NOITC) on BC Bid. The vast majority of all other sole/single source contracts awarded in 2019 were executed on the basis of compatibility with existing City infrastructure and systems and in total, accounted for 8.5% of the total purchase order contracts awarded in 2019.

These statistics demonstrate that the City is successful in achieving on its core objectives of conducting a competitive and transparent procurement process, while maximizing value for money in the acquisition of goods and services.

## 7. Contract Lifecycle Management System

The City's purchasing will continue to enhance operations through utilizing leading procurement and inventory management practices. The City recently awarded a contract for the supply and implementation of a Contract Lifecycle Management System (approved by previous Council in 2018). The system when fully implemented, will manage the entire procurement process through a centralized, cloud-based solution that will provide more efficient processes for posting bid opportunities, receiving online compliant submissions, online evaluations and award of contracts, more robust contract administration and access to enhanced reporting and analytics.

## **Financial Impact**

None.

## **Conclusion**

This procurement report covers the period from January 1, 2019 to December 31, 2019 and documents the City of Richmond's procurement activities.



David Aarons  
Manager, Purchasing  
(604-276-4061)

Attachment 1: Competitive Bid Awards 2019 by Contract Value (contracts awarded in excess of \$75,000)

## Attachment 1

## Competitive Bid Awards 2019 by Contract Value (contracts awarded in excess of \$75,000)

	<b>Contract Name and Description</b>	<b>Successful Vendor</b>	<b>Contract Value</b>
<b>1</b>	6598P Construction Services for No. 7 Road South Drainage Pump Station Upgrade	GCL Contracting & Engineering Inc.	\$8,416,000
<b>2</b>	T.6529 Gateway Theatre Upgrade	Kindred Construction Ltd.	\$5,491,683
<b>3</b>	6418P South Dike Upgrades from Gilbert Rd to No. 3 Rd	Tybo Contracting Ltd.	\$4,879,000
<b>4</b>	T.6500 City Centre Community Police Office Tenant Improvement Project	Edifice Construction Inc.	\$4,705,500
<b>5</b>	6279P Shell Road North Drainage Pump Station Upgrade	Merletti Construction Ltd.	\$3,939,815
<b>6</b>	T.6445 2019 Paving Program	LaFarge Canada Inc.	\$3,275,540
<b>7</b>	6534P Westminster Highway Culvert Replacement	J J M Construction Ltd.	\$2,325,600
<b>8</b>	6678J City Hall Annex Level 2 Renovations	Ashton Mechanical Ltd.	\$1,627,259
<b>9</b>	6511Q On-Call Plumbing Contractor	Ashton Service Group, PJB Mechanical, Entity Mechanical	\$1,500,000
<b>10</b>	6498P Hugh Boyd Park - Synthetic Sports Surfacing Replacement	Astro Turf West Distributors Ltd.	\$1,499,000
<b>11</b>	6466P Supply and Install - Low Ammonia System Replacement	CIMCO Refrigeration	\$1,273,250
<b>12</b>	6333Q Supply and Delivery of Pool Chemicals	Cleartech, DB Perks, Brenntag	\$1,220,000
<b>13</b>	6323P City Hall Security Guard	GardaWorld Cash Services Canada Corp	\$1,175,000
<b>14</b>	6225P Supply and Delivery of Apparatuses for Richmond Fire Rescue (RFR)	Commercial Emergency Equipment Co.	\$1,085,258
<b>15</b>	6509Q Mattress and Upholstered Furniture Recycling Services	Canadian Mattress Recycling Inc.	\$1,029,185
<b>16</b>	6495P Provision of Civil Engineering Consulting Services for Transportation Improvement Programs	McElhanney Consulting Services Ltd.	\$1,006,067

17	T.6662 Thompson Community Centre HVAC Upgrades	Entity Mechanical Ltd.	\$762,000
18	6674J City Hall Annex Level 1 Renovations	Ashton Mechanical Ltd.	\$624,219
19	6298P Burkeville Drainage Improvements	McElhanney Consulting Services Ltd.	\$585,197
20	6404P Steveston Hwy and No. 3 Rd & Steveston Hwy and Gilbert Rd Drainage Pump Station Upgrades	Aplin & Martin Consultants Ltd.	\$510,010
21	6355P Consulting Services for Customer Relationship Management (CRM)	Oracle Canada ULC, Amberleaf Partners Inc.	\$498,782
22	6486P Provision of Civil Engineering Consulting Services for Drainage and Irrigation Upgrades	McElhanney Consulting Services Ltd.	\$452,257
23	6453P Minoru Track Resurfacing	Marathon Surfaces Inc.	\$399,936
24	6467P Consultant Services for Detailed Design, Costing, Phasing and Construction Administration for Minoru Lakes Renewal	ISL Engineering and Land Services	\$394,259
25	6714J Library Cultural Centre Conveyance Systems Upgrade	Boston Construction Corp.	\$367,422
26	5718P Supply, Implementation and Consulting Services for a Mobile Licence Plate Recognition Solution	ACCEO Solutions Inc.	\$366,350
27	6394Q Tent and Event Supplies Rentals for Various City Events/Festivals	Phoenix Tent Rentals, Millenium Tents, Cascade Tent, Elite Tents	\$353,004
28	6684J East Richmond Community Hall Mechanical and Roofing Replacement	Boston Construction Corp.	\$348,678
29	6720Q Supply and Delivery of 1440 LED Luminaires for LED Replacement Program	Westburne West Rexcel Group	\$343,705
30	6593Q Supply and Installation of Test VXRail Server Environment	Turning Point Technologies	\$333,887
31	6512Q On-Call Refrigeration Contractor	CIMCO Refrigeration	\$300,000
32	6544Q On Call Overhead Door Contractor	Creative Door Services Ltd.	\$288,900

33	6552P Lawn Bowling Turf Replacement	Marathon Surfaces Inc.	\$278,915
34	T.6480 Design and Contract Administration Services for the Replacement of Minoru Lawn Bowling Clubhouse	O4 Architecture Ltd.	\$275,400
35	6347Q Minoru Centre for Active Living (MCAL) - TP8 Supply & Install Signage	Stuart Olson Construction Ltd.	\$249,464
36	6602Q Watermania Cooling Tower Replacement	ESC Automation	\$234,369
37	6558Q Supply & Delivery of 1 (One) Sewer Vacuum Combo Unit on a City provided Cab and Chassis	Vimar Equipment Ltd.	\$232,477
38	6318P Delivery of Advanced Lifeguarding, Lifesaving & First-aid Instructional and Recertification Courses	LIT Aquatics Ltd.	\$229,000
39	6367P Richmond Ice Centre - Replacement Boilers	Ram Mechanical Ltd.	\$227,000
40	6740Q Paving, Drainage and Asphalt Upgrades - Afton Drive North and Herbert East Laneway	BA Blacktop Ltd.	\$224,558
41	6351P Provision of Structural Engineering Consulting Services for Replacement of City Bridges	McElhanney Consulting Services Ltd.	\$196,320
42	6566Q Supply & Delivery of 1 (One) Tier 4 (Four) Compliant Backhoe	Finning (Canada)	\$187,059
43	6369P Engineering Consulting Services for Heather Street Improvements	Wedler Engineering LLP	\$186,618
44	6439P BCPPGB Supply and Delivery of Fuels**	Suncor Energy Products Partnerships (Suncor)	\$175,000
45	6657P London/Steveston Park Playground Design-Build Services	Habitat Systems Inc.	\$173,357
46	6343P On-Call Inspection, Maintenance and Installation of Tent Structures for City of Richmond Sites	Slip Tube Enterprises Ltd.	\$160,000
47	6536P Design Services for MPAC Tenant Improvement Project	O4 Architecture Ltd.	\$155,100



48	6547Q Emergency Sanitary Sewer Repair Work - Richmond General Hospital	Hexcel Construction Ltd.	\$147,119
49	6436P History of Richmond Film	Lantern Films Inc.	\$147,000
50	T.6501 Interior Demolition Services of Existing City Hall West	Edifice Construction Inc.ESC Automation Inc	\$147,000
51	6673J Sea Island Community Hall Envelope and East Exterior Stairs Replacement	Ashton Mechanical Ltd.	\$145,036
52	6706P Producer and Production Services for Richmond Maritime Festival	Anigraph Productions Ltd.	\$144,293
53	6616Q Tree Relocation at River Parkway Project	Tree Wisemen Landscaping Ltd.	\$138,400
54	6639Q Terra Nova Adventure Playground Tower Renewal: Design-Build Services	Kinsol Timber Systems Ltd.	\$134,086
55	6737Q Supply and Delivery of Two (2) Crew-Cab Chassis	Dams Ford Lincoln Sales Ltd.	\$129,928
56	6549P LED Traffic Signal Displays	Interprovincial Traffic Service Ltd.	\$128,425
57	6608P Annual and Quarterly Billing, Property Tax Notice and General Information Mail Outs	IDRS	\$122,784
58	6508Q Direct Digital Control Upgrades - Community Safety Building	ESC Automation	\$120,937
59	5610P Aggregate Crushing Services at Sidaway Operations Yard - Year 4	Regehr Contracting Ltd.	\$120,000
60	6414P Palmer Garden City Playground Design-Build Services	Habitat Systems Inc.	\$119,706
61	6617Q Supply and Delivery of Three (3) Hybrid SUVs for RFR	West Coast Import Vehicles	\$118,125
62	6186P Implementation of Security Information and Event Management Solution	Deloitte LLP	\$114,116
63	6421Q Rental of one (1) Mauldin 1550-D Asphalt Paver	Paving Solutions Ltd.	\$108,500
64	6609Q Supply and Delivery of Uniform Stationwear Shirts and Pants for RFR	Guillevin International Inc.	\$108,462

65	6431P Armoured Car Services	GardaWorld Cash Services Canada	\$105,900
66	6626Q 2019 Public Sector Maintenance Support Renewal (Hansen)	Infor	\$104,695
67	6665P Provision of Engineering Inspection Services	Maven Consulting Limited	\$100,000
68	6313P Asbestos Surveying and Testing Services of Various City Properties	Pinchin Ltd.	\$99,150
69	6732J Watermania Heat Recovery Piping Replacement	Ashton Mechanical Ltd	\$98,939
70	6646Q Cisco 8851 IP Phones and Licenses	Telus Communications Inc.	\$93,542
71	6603Q Event Security Services	Genesis Security	\$92,578
72	6585Q Supply and Delivery of a Professional Audio System	Sapphire Sound Inc.	\$85,802
73	6530P LCC Mechanical Upgrade – Consulting Services for Detailed Design and Construction Administration	Williams Engineering Canada Inc.	\$85,550
74	6409P City of Richmond High Potential Leadership Certificate Program	Royal Roads University	\$85,000
75	6381Q Minoru Park and Richmond Tennis Court Repair and Resurfacing	Tomko Sport Systems Inc	\$82,682
76	6745Q Motor Control Center for No. 2 Road South Drainage Pump Station Upgrade	Wesco Distribution Canada LP	\$80,713
77	5777P Actuarial Valuation of Post-Employment Benefits	Mercer (Canada) Limited	\$79,200
78	6727Q Thompson Community Centre Fitness Area Re-Roofing	Atlas-Apex Roofing (BC) Inc	\$78,417
79	6620F Rental of three (3) dump trucks and one (1) flat deck truck for Roads	The Driving Force	\$77,420
80	6733Q - Architectural Lace Fabric Fence Construction for Minoru Park	Streamline Fencing Ltd.	\$76,750
81	6775J 8311 Saunders Rd. Multi-Family Water Meter Installation	Ashton Services	\$75,724
	<b>Grand Total</b>		<b>\$58,257,379</b>