



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** June 19, 2020
From: Tom Stewart, ASCT. **File:** 10-6000-00/Vol 01
 Director, Public Works Operations
Re: **Award of Contract 6676P – Supply of Hydro-Vac Services**

Staff Recommendation

1. That contract 6766P – Supply of Hydro-Vac Services for an initial three-year term be awarded on an “as and when requested” basis to McRae’s Environmental Service Ltd as the most responsive and responsible bidder. The initial three-year term is estimated at \$7,277,841 exclusive of taxes and 10% contingency; and
2. That approval from Council will be requested prior to staff executing an option to renew the contract for a further two-year term, for a maximum total term of five years; and
3. That the Chief Administrative Officer and the General Manager, Engineering and Public Works be authorized to execute the contract with McRae’s Environmental Service Ltd.

Tom Stewart, ASCT.
 Director, Public Works Operations
 (604-233-3301)

REPORT CONCURRENCE		
ROUTED TO: Finance Department	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
SENIOR STAFF REPORT REVIEW	INITIALS: CS	APPROVED BY CAO

Staff Report

Origin

The City utilizes vacuum truck services to assist with the operation, maintenance and construction of underground assets. The services include, but are not limited to:

- Hydro excavation
- Flushing services
- Catch basin cleaning
- Hydraulic root cutting
- Pumping services
- Stand-by services
- Emergency and disaster response support

The City employs its own staffing to conduct these services; however, the City has made use of an external contractor to perform these services on an “as and when required” basis as determined by the City.

The City is currently in an agreement with McRae’s to perform these services through a previous RFP originally posted on BC Bid. The final year of this agreement is due to expire in June, 2020 which necessitated the need to go back to market for a new contract.

Historical spend under the current contract is shown in Table 1.

Table 1 – Historical Spend²⁷⁵

Contract Year	Date	Value
1	June 2015 to June 2016	\$1,753,275
2	June 2016 to June 2017	\$1,955,057
3	June 2017 to June 2018	\$2,281,115
4	June 2018 to June 2019	\$2,200,404
*5	June 2019 to May 31, 2020	\$2,239,642

* Note: data for year 5 is reflective of a portion of the contract year.

The general scope of this contract includes:

- Providing Hydro-Vac services on an “as and when required” basis for various job sites, including for work and projects in connection with all aspects of roads, utilities, parks, as well as emergencies; and
- Providing all the personnel, labour, supervision, management, facilities, vehicles, tools, equipment, devices, accessories, supplies, fuel, and other materials which are necessary or incidental to the supply of Hydro-Vac services.

This report supports Council’s Strategic Plan 2018-2022 Strategy #1 A Safe and Resilient City:

Enhance and protect the safety and well-being of Richmond.

1.1 Enhance safety services and strategies to meet community needs.

1.2 Future-proof and maintain city infrastructure to keep the community safe.

1.3 Ensure Richmond is prepared for emergencies, both human-made and natural disasters.

1.4 Foster a safe, caring and resilient environment.

Analysis

RFP Process

RFP 6766P – Supply of Hydro-Vac Services was posted onto BC Bid on February 28, 2020 and closed on March 25, 2020.

The RFP advised interested proponents that the City would use an Evaluation Committee to score and determine which proposal provided the best overall value to the City.

Three proposals were received by the closing date from the following proponents:

- Badger Daylighting Ltd.
- McRae's Environmental Services Ltd.
- Super Save Hydro Vac Inc.

Table 2 provides a summary of the proposals received in response to the RFP. Bidders were requested to provide unit pricing based on historical and anticipated usage of the required services. In addition, proponents were required to provide fixed pricing for the initial three-year term.

Review Process

A cross functional committee evaluated the three proposals received in response to the posted RFP against pre-determined criteria that included:

- Corporate profile and methodology
- Response time capability
- Corporate Sustainability Practices, Circular Economy Practices and Social Responsibility (CSR) initiatives
- Financial proposal

The response received from McRae's was the only complete response received by the closing date. The proposal received from Badger Daylighting Ltd. did not respond to the City's requirement to provide hydraulic root cutting services, pumping services, stand-by services or overtime services. The proposal received from Super Save did not respond to the requirement to provide pumping services. The proposal received from McRae's was still evaluated to ensure it met the City's operational requirements.

Table 2 – Bid Summary and Award Recommendation

Name of Proponent	Award Recommendation	Proponents' Pricing (based on estimated service hours per annum)
McRae's Environmental Services Ltd.	Recommended Proponent	\$2,425,947
Badger Daylighting Ltd.	Not recommended	\$2,264,150*
Super Save Hydro Vac Inc.	Not recommended	\$3,174,350*

* Denotes incomplete bid

The review team noted that:

- The response from McRae's demonstrated they were capable of meeting all of the service requirements described in the RFP. As the incumbent service provider, the City has had an excellent working relationship with McRae's in the past.
- The proposed unit rates for the new contract represented good value for money as the team still benchmarked the new rates against previous rates paid.
- McRae's provided a positive response to the circular economy assessment in the RFP that described how their current business practices align to the City's goals for a circular economy.

Contract Term

The recommended contract is for an initial three-year term, with an option to renew for one further two-year contract term. Pricing will be fixed during the initial term. Approval from Council will be requested prior to staff executing an option to renew the contract for a further two-year contract term, for a maximum total term of 5 years.

Financial Impact

The contract will be funded by various capital projects, receivable projects and the operating budget as applicable on an "as required" basis. The estimated value of the contract is shown in Table 3.


Table 3 – Estimated Contract Cost

Estimated Costs	
First year (July 2020- June 2021)	\$2,425,947
Second year (July 2021- June 2022)	\$2,425,947
Third year (July 2022 –June 2023)	\$2,425,947
Optional fourth year – 2.5% increase (July 2023 – June 2024)	\$2,502,483
Optional fifth year – 1.5% increase (July 2024 – June 2025)	\$2,540,020
Subtotal	\$12,320,344
Contingency 10%	\$1,232,034
Total Estimated Costs (exclusive of taxes)	\$13,552,378

Conclusion

This report presents the proposal bid summary results for Contract 6676P –Supply of Hydro-Vac Services.

It is recommended that the award of Contract 6676P be awarded to the most responsive and responsible bidder, McRae's Environmental Service Ltd. for an initial three-year term commencing on August 1, 2020, on an "as and when required basis". Approval from Council will be requested prior to staff executing an option to renew the contract for a further two-year contract term, for a maximum total term of five years.



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TS:bd