



City of Richmond

Report to Committee

To: Finance Committee

Date: March 18, 2019

From: Jerry Chong
Director, Finance

File: 02-0600-01/2019-Vol
01

Re: 2018 Annual Procurement Report

Staff Recommendation

That the staff report titled "2018 Annual Procurement Report", dated March 18, 2019 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 STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

This report to Council is to provide information regarding the City's procurement activities during the 2018 calendar year and procurement metrics as recommended by the Auditor General for Local Government to all BC municipalities concerning Government Procurement Processes.

Analysis

This procurement report covers the period from January 1, 2018 to December 31, 2018 and documents the City of Richmond's procurement activities. The scope of this report includes the City's procurement achievements and procurement statistics.

This report is the fourth since the implementation of the amended Procurement Policy 3104. The policy continues to provide a strong basis in enabling a practical, collaborative approach to supply management.

Purchasing continues to utilize leading procurement practices thereby ensuring procurement and inventory management operations at the City delivers value for money for internal partners. Purchasing promotes commitment to process transparency, improved vendor relations and heightened internal controls.

The City's Purchasing Section, working collaboratively with all City departments and subsidiaries upon request, successfully negotiated and awarded over \$78M worth of contracts for goods, services and construction in 2018.

1. Procurement Achievements

In September 2015 Council approved an amended Procurement Policy 3104. The policy 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.

Purchasing continues to focus on delivering value through performance utilizing effective processes and systems. Some of the key activities and achievements that have been realised, or directly contributed to, through the procurement process include:

- Construction Services for Watermania Infrastructure Upgrades. Purchasing, working with City Engineering staff, successfully tendered this work with a value of \$535,795.
- Construction of Interim River Parkway. Purchasing, working with City Engineering staff, successfully tendered this work with a value of \$6,999,605.
- City Hall IT Server Room AC Upgrade. Purchasing, working with City Engineering staff, successfully tendered this work with a value of \$663,933.
- 2018 Paving Program. Purchasing, working with City Engineering staff, successfully tendered this work with a value of \$3,139,337.

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 2018, City purchasing cards were used for over 18,550 transactions for a total spend of \$6,200,828. This is an increase of 10% in purchase card spend over 2017 and will result in a rebate of approximately \$62k, to be received in 2019.

2. Procurement Statistics

The following are key procurement statistics for the period of January 1, 2018 to December 31, 2018

Total Value of Purchase Order Contracts Awarded in 2018	\$78,088,664
Competitive Contracts Administered (in excess of \$75,000)	114
Purchase Orders Issued	3,629
Purchasing Card Expenditures	\$6,200,829
Average P-card transaction value	\$335

3. Council Approved Contracts

Council approval for Purchasing contracts follows Bylaw No. 8215 - Officer and General Manager. Examples of contracts approved by Council in 2018 are:

- Contract 6225P – Supply and Delivery of Apparatuses for Richmond Fire Rescue for \$1,085,258.
- Contract 6205P – Residential Solid Waste Collection and Recycling Services for \$8,165,594 for an initial eight (8) year term
- 6155EOI Furniture Systems and Management Solutions for \$1,500,000 for a three (3) year term.
- 5857P Supply and Delivery of Janitorial Cleaning Supplies for \$820,000 for an initial two (2) year term.
- 6232P On-Call Repair and Maintenance of Security and Access Control Systems Plus Monitoring of Fire and Alarm Systems for City of Richmond Sites for \$500,000 for a two (2) year term.

4. Strategic Sourcing

Strategic Sourcing is a systematic approach to managing the acquisition of goods, services and construction that matches internal partner needs with marketplace capabilities. Strategic sourcing focuses on long term supplier relationships with suppliers integral to the City’s organizational strategy. In 2018, a total of 244 strategic sourcing projects led to the award of over \$41M in contracts in excess of \$75,000 on behalf of all City departments.

Financial Impact

There is no financial impact.

Conclusion

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.

The emphasis for Purchasing in 2019 will be to continue to enhance operations through utilizing leading procurement and inventory management practices. A capital request for a Contract Lifecycle Management System was submitted in 2018 and subsequently approved by Council. The system will be procured in 2019 and will be a key area of focus for both the Department and the wider organization.

Purchasing will be implementing updated competitive bid and contract documents in 2019 to comply with the Canada-EU Comprehensive Economic Agreement (CETA), the Canadian Free Trade Agreement (CFTA) and the New West Partnership Trade Agreement (NWPTA) that affect City procurement activities and will continue to support Council's current term goal of strong financial stewardship through the City's operational and capital programs.



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

Appendix 1: Competitive Bid Awards 2018

Appendix 1: Competitive Bid Awards 2018 - (contracts awarded in excess of 75,000)

	<i>Contract Name and Description (listed by award date)</i>	<i>Successful Vendor</i>	<i>Amount</i>
1.	6192S Maintenance and support services for REDMS	Open Text Corporation	\$187,767
2.	6189S Annual Software License - Tempest	Tempest Development Group Inc	\$103,962
3.	6179Q Supply and Installation of Readerboard at Fire Hall # 1 and # 4	Landmark Sign Ltd	\$79,610
4.	6133EOI Provision of Child Care Services - Kingsley Pinnacle Development	YMCA of Greater Vancouver	N/A
5.	6127Q Lease - Automated Vote Counting System	Election Systems & Software	\$77,920
6.	6021Q Supply & Delivery of one (1) tier 4 Compliant Backhoe	Finning Canada	\$169,897
7.	6292F Condition Assessment Services	VFA Canada Corporation	\$123,000
8.	6224F Emergency construction repair/stabilization work for the canal bank along the 2400 block of No. 8 Road	Merletti Construction (1999) Ltd	\$125,000
9.	6216F Professional audio, lights, staging and truss for Richmond World Festival and Richmond Canada Day	Briere Production Group Inc	\$94,150
10.	6204S PerfectMind software annual subscription, maintenance and support renewal	PerfectMind Inc.	\$175,036
11.	6199S Supply and Deliver an Automated Bicycle Parking System	Mazdis Inc.	\$127,500
12.	6162P Producer for the Richmond World Festival	John Donnelly & Associates Event	\$97,500
13.	T.6159 Minoru Chapel Phase 3 Renovation	Scott Special Projects	\$229,536
14.	6154P Drainage Pump Station Condition Assessment	AECOM Canada Ltd	\$124,791
15.	6132EOI Concession Services for Watermania	Lelem' Hospitality	N/A
16.	6020Q Supply and Delivery of Sewer Vacuum Truck Combo Unit on a City Provided Cab and Chassis	Vimar Equipment Ltd	\$406,990
17.	5961Q Supply and Delivery of one (1) 21 seater Passenger Bus	Dynamic Specialty Vehicles Ltd.	\$109,664
18.	6246Q King George Spray Park - Surfacing Repairs with a Poured-in-Place Rubber Surfacing System	Marathon Surfaces Inc.	\$108,860
19.	6245S Microbial Soil Stabilization - Phase 2	Groundwater Technology	\$105,000

20.	6241Q Recruitment Services - Director, Parks & Director, Recreation Services	Davies Park Executive Search Consultants	\$77,500
21.	6222Q Janitorial Services - Libraries (Brighthouse, Cambie and Ironwood)	Master Care Janitorial & Facility Services	\$104,120
22.	5857P Supply and Delivery of Janitorial Cleaning Supplies	Planet Clean	\$820,000
23.	6291F City Hall Annex Phase 2 - Design Services for Level 2 and portion of Level 1 Renovations	Assembly Architecture	\$182,500
24.	6290S Infor Public Sector (HANSEN) 2017 Annual Support Contract Renewal	Infor Canada Ltd	\$102,733
25.	6289S 2018 Operation of Restorative Justice Program	Touchstone Family Association	\$95,000
26.	6284F Supply and delivery of auto extraction equipment for three (3) new vehicles	Rescue Tools Canada	\$113,400
27.	6274F Peterbilt Cab and Chassis Model number 567 to replace unit 1251 (Vactor truck)	Peterbilt Pacific Inc	\$167,476
28.	6273F Engineering Consulting Services for Phase 5 of the Dike Master Plan	Kerr Wood Leidal	\$149,961
29.	6269Q South Arm Pool Skimmer and Wading Pool Repairs	Belzona Molecular (BC) Ltd	\$172,080
30.	6264Q Motor Control Center for Horseshoe Slough Drainage Pump Station Upgrade	Guillevin Automation	\$77,405
31.	6263F Installation and upgrade of CCTV systems for City Hall and City Hall Annex	Safe and Sound	\$128,104
32.	6262Q Consulting services for Watermania Infrastructure Replacement Project 2018	Kasian	\$91,573
33.	6259Q Sidaway Pavement Improvements	BA Blacktop Ltd.	\$105,303
34.	6258Q Sidaway Operations Trailer	Britco BOXX Limited Partnership	\$153,622
35.	6506S Avolve Software upgrades and consulting services	Avolve Software	\$141,000
36.	6254S 2018 Oracle (PeopleSoft) Software License & Support	Oracle Canada ULC	\$299,102
37.	6249F Production Services for the Richmond Maritime Festival	Anigraph Productions Ltd.	\$150,000
38.	6226EOI Street and Sidewalk Vegetation Control (2018 - 2021)	Western Weed Control (1980) Ltd	\$115,000
39.	6218P Supply and Delivery of Self-Contained Breathing Apparatus Systems for Richmond Fire Rescue	Guillevin International Inc.	\$115,110
40.	T.6142 2018 Paving Program	BA Blacktop Ltd.	\$3,139,337
41.	6317Q City Hall Annex Waterproofing Membrane Replacement	Atlas-Apex Roofing (BC) Inc.	\$77,500
42.	6312Q Minoru Arenas Building Improvements 2018 - Construction Services	Solid General Contractors Inc.	\$110,250
43.	6307Q Architectural Design Services for City Centre Community Police Office Relocation	Micheal Mammone Office 4 Architecture	\$156,295

44.	6297F Steveston Island Sea Gates Investigation	Kerr Wood Leidel	\$343,161
45.	6233P ADEU Phase 5 - Design of the West Cambie Park and South Greenway Geo-exchange Fields	Falcon Engineering Ltd.	\$143,700
46.	6220P Consulting Services to develop a Richmond Middle Arm Waterfront Brownfield Action Plan	Hemmera Envirochem Inc.	\$134,905
47.	6203Q ADEU - McKim Way Distribution Piping Extension and Glycol Addition	MRC Total Build LP	\$435,190
48.	6155EOI Furniture Systems and Management Solutions	Heritage Office Furnishings	\$1,500,000
49.	6019Q Supply and Delivery of one (1) Excavator	Finning Canada	\$414,341
50.	5960P Supply and Delivery of Hybrid and Electric Vehicles	Dueck Richmond GM	\$263,249
51.	6328S Storm Sewer Construction Works - 9131 Steveston Highway	Stoddard Contracting Ltd.	\$105,670
52.	6304S Phase 1- No. 2 Road MUP London Road to Andrews Road	BC Hydro & Power Authority	\$197,041
53.	6303F Richmond Ice Centre Forum Boards Replacement 2018	CascadiaSport Systems Inc	\$105,150
54.	6299Q Replacement of City Hall Boilers	Davidson Brothers Mechanical	\$308,933
55.	6257Q Supply and Delivery of Extreme Networks Equipment	X10 Networks, Inc.	\$93,837
56.	6243EOI Request for Pre-Qualification - Restoration of the Phoenix Net Loft	Scott Special Projects	N/A
57.	6207Q Supply and Delivery of one (1) tier 4 compliant Backhoe	Finning (Canada)	\$254,918
58.	6182P Supply and Install Fitness Equipment for the Minoru Centre for Active Living	Technogym USA National Fitness Products of Canada Inc. Tower Fitness Equipment Services Inc. Fitness Town Commercial Stak Fitness International Inc.	\$401,271
59.	6338S Trial Sewer Wastewater Equipment at City of Richmond's Edgemere Lift Location	Muddy River Technology Inc.	\$92,500
60.	6348F MyRichmond's MyCommunity with PerfectMind	Radical I/O	\$249,000
61.	6347Q Minoru Centre for Active Living (MCAL) - TP8 Supply & Install Signage	Stuart Olson Construction Ltd.	\$249,464
62.	6337S DVD Dispenser Modernization	ITRE s.r.l.	\$75,855

63.	6286P Supply and Operate a City of Richmond Public Bike Share Pilot Program	U-Bicycle North America Inc.	N/A
64.	6285P Consulting Services to Design, Tender, and Oversee Construction of Aberdeen Park - Phase 2	van der Zalm +Associates	\$182,501
65.	6280P Heritage Inventory Review and Update	Donald Luxton and Associates	\$114,000
66.	6267EOI Operator For The Capstan Village Early Childhood Development Hub	YMCA of Greater Vancouver	N/A
67.	6237Q Supply and Delivery of two (2) Full Size High Roof Extended One Ton Dual Rear Wheel Cargo Vans	Dams Ford Lincoln Sales Ltd	\$100,622
68.	6219Q On Call Roofing Contractor	Marine Roofing Repair and Maintenance Service (2003) Ltd.	\$120,000
69.	6212P Engineering Inspection Services for City projects	Maven Consulting Ltd. RAM Engineering Ltd.	\$200,000
70.	6210Q Supply and Delivery of four (4) 1 Ton Crew Cab Dump Trucks	Work Truck West	\$345,040
71.	6209Q Supply and Delivery of four (4) 3/4 Ton Crewcab Trucks	Dams Ford Lincoln Sales Ltd	\$153,156
72.	6206Q Supply and Delivery of one (1) Dump Body Unit and Outfitting on a City Provided Cab and Chassis	Del Equipment	\$145,562
73.	6205P Residential Solid Waste Collection and Recycling Services	Sierra Waste Services Ltd.	\$8,165,955
74.	5552Q Supply and Delivery of one (1) Dump Body Unit and Outfitting on a City provided Single Axle Cab and Chassis	Del Equipment	\$169,194
75.	6389Q Concrete Pipe Materials – River Drive Multi-Use Pathway	Ocean Pipe	\$85,424
76.	6391Q Direct Digital Control Upgrades – Thompson Community Center	ESC Automation Inc	\$106,028
77.	6320Q RCMP CSB – Heat Pump Replacement Project Phase 2	All-Pro Services Ltd.	\$361,400
78.	T.6310 City Hall Annex L1 & L2 Abatement & Demolition	Ashton Service Group	\$192,200
79.	6380Q Cambie Fire Hall #3 Post Occupancy Work	Ashton Service Group	\$75,086
80.	6379P Consulting Services for the Gateway Theatre Upgrades	Morrison Hershfield Ltd.	\$228,100
81.	6385Q Paving - Broadmoor Blvd North Laneway Drainage and Asphalt Upgrades	WinVan Paving Ltd.	\$89,240
82.	6321Q Trafalgar Service Connection and Energy Transfer Station	Division 15 Mechanical Ltd.	\$364,000
83.	6388F Design and Construction Services to Horseshoe Slough Pump Station	Telus	\$187,500

84.	6370Q Emergency Wood Stave Culvert Replacement - Intersection at No. 8 Road and Westminster Hwy	Merletti Construction Ltd.	\$145,000
85.	6366F Supply and Installation of Audiovisual Equipment	Stuart Olson	\$146,500
86.	6305P Engineering Services for ICCDEU Servicing Strategy	Kerr Wood Leidal Associates Ltd.	\$89,800
87.	T.6281 Construction Services for Watermania Infrastructure Upgrades	Kindred Construction Ltd.	\$535,795
88.	6244P Core Network Refresh/Architecture	Telus Communications Company Ltd	\$297,650
89.	6407S Supply and delivery of chainlink fence mesh at Minoru Park	Hansen & Gannelli Inc.	\$184,993
90.	6405 Co-Op Recreation Lighting Upgrade Materials	Commercial Lighting Products Ltd.	\$111,430
91.	6402F Construction of drainage improvements and frontage works between 10231 Ruskin Road and Ryan Road	Anderson Creek Site Developing Ltd.	\$83,537
92.	6401Q Multi-Family Water Meter Installations 8191 Francis Rd, 8651 Ackroyd Rd, and 7435, 7437, 7439 Moffatt Rd	Ashton Service Group	\$112,736
93.	6371P Smart Cities Challenge: Project Management for Business Case Development	KPMG	\$155,220
94.	T.6309 Construction of Interim River Parkway	M2K Construction Ltd.	\$6,999,605
95.	6700F 3 2" Steel Gas Fortis	FortisBC - Natural Gas	\$338,515
96.	6422F Peterbilt Cab and Chassis Model number 567 (two Single Axle) and (one Tandem Axle)	Peterbilt Pacific Inc.	\$467,129
97.	6417S Preventative maintenance for chillers at City Hall, City Hall Annex, Watermania, Community Safety Building and Fire Hall 1	Trane Building Services	\$114,871
98.	6416S No 2 Road, London Road to Westminster Highway Multi-Use Pathway & Intersection Improvements	BC Hydro	\$197,041
99.	5734P Provision of Consultancy Services for a Workforce Management Readiness Assessment Study	MNP	\$148,480
100.	6492F Corrective Maintenance of Alexandra District Energy Utility	Corix Utilities	\$95,000
101.	6442F Technical Consulting Services - Tempest	Tempest Development Group Inc.	\$75,035
102.	6421F Rental of one (1) Mauldin 1550-D Asphalt Paver	Paving Solutions Ltd.	\$108,500
103.	6357P Business Process Improvement & Change Management Review	Propel Solutions Ltd.	\$129,600

104.	6425Q City Hall IT Server Room AC Upgrades	Davidson Brothers Mechanical	\$663,933
105.	6232P On-Call Repair and Maintenance of Security and Access Control Systems and monitoring of Fire and Alarm Systems for City of Richmond Sites	Safe & Sound Security Systems Ltd.	\$500,000
106.	6484F Upgrade of ventilation system at Richmond Ice Centre	Airon Heating and Air Conditioning	\$82,790
107.	6411P Phoenix Net Loft Preservation Project	Scott DB Services Ltd.	\$348,511
108.	6369P Engineering Consulting Services for Heather Street Improvements	Wedler Engineering LLP	\$186,618
109.	6208Q Supply and Delivery of two (2) Walk Thru Vans	Metro Motors Ltd	\$360,026
110.	6365Q Supply and Install Pure Storage Array Upgrade	Powerland	\$145,701
111.	6225P Supply and Delivery of Apparatuses for Richmond Fire Rescue	Commercial Emergency Equipment Co.	\$1,085,258
112.	6486P Provision of Civil Engineering Consulting Services for Drainage and Irrigation Upgrades	Aplin & Martin Consultants Ltd.	\$510,010
113.	6447Q Supply and Delivery of VMWARE Licences	Turning Point Technology Services	\$90,945
114.	6456S No. 2 Road MUP from London to Westminster Hwy	BC Hydro	\$780,298
	Total contract awards over \$75,000		\$41,428,992
	Total contract awards less than \$75,000		\$36,659,672
	Grand Total		\$78,088,664