



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** October 7, 2021
From: Suzanne Bycraft
Interim Director, Public Works Operations **File:** 10-6050-01/2021-Vol 01
Re: **Award of Contract 6437F - Supply of Drainage Pumps, Parts and Services**

Staff Recommendation

1. That Contract 6437F – Supply of Drainage Pumps, Parts and Services be awarded to KSB Pumps Inc. on an “as and when required” basis for a term of five years with a maximum contract value not to exceed \$2.51 million, plus applicable taxes.
2. That the Chief Administrative Officer and the General Manager, Engineering and Public Works be authorized to negotiate and execute on behalf of the City, the contract identified above and as outlined in the staff report titled, “Award of Contract 6437F – Supply of Drainage Pumps, Parts, and Services” dated October 7, 2021, from the Interim Director, Public Works Operations.

Suzanne Bycraft
Interim Director, Public Works Operations
(604-233-3338)

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

Staff Report

Origin

The City regularly monitors and upgrades drainage pump stations throughout Richmond to maintain a robust drainage system. Staff assessed the needs of the City's drainage pump stations including the existing infrastructure and the future supply requirements. It was determined the best course of action is to standardize the pumps and parts to ensure compatibility with existing infrastructure, achieve economies of scale and reduce costs as a result of retrofitting, modifications, staff training and repair times.

KSB Pumps Inc. is the only supplier of Amacan brand pumps and parts which are critical components to the drainage network and have proven to be of excellent quality and dependability over the past 20 years in the City's drainage pump stations. The current and ongoing standardization of drainage pumps and hardware will continue to minimize costs and downtime by allowing for greater interchangeability and technical expertise when repairs are needed, and will minimize service disruptions. The Amacan brand pumps interface with existing electronic monitoring equipment, control programs, hardware and have demonstrated good value to the City in terms of increased pumping capabilities and reduced energy consumption and failures.

This report presents the results of the procurement process and recommends award of Contract 6437F – Supply of Drainage Pumps, Parts, and Services to KSB Pumps Inc.

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

Procurement Process

Staff approached the market with a Notice of Intent to Contract (NOITC) with KSB Pumps Inc. in April 2019. The NOITC posting on BC Bid received no challenges from other suppliers in the industry.

Project Description

The scope for this contract is as follows:

- Pumps and parts supply for the City's drainage pump stations.
- Maintenance and repair services to pumps and parts supplied by the vendor, for which the City does not have the capacity to perform in-house.

Supply Agreement

In return for a long-term commitment, KSB Pumps Inc. is offering the following:

- A fixed 15% discount against list prices for the supply of pumps and parts for the full term of the contract.
- Pricing will be fixed for the first 24 months of this supply agreement. For the third, fourth and fifth year of the agreement, the price will be adjusted by no more than 2% per annum to reflect cost increases that the supplier may incur during the term of the agreement.
- Critical parts will be stored at KSB Pumps Inc. service centre. The City may order the parts in emergency cases which are to be delivered to site by KSB Pumps Inc.
- The City will have firsthand access to the newest generation of the drainage pumps which offers improved efficiency, smaller foot print and better performance.
- KSB Pumps Inc. agrees to provide access to their web-portal for ordering spare parts directly used by City employees or agents.

KSB Pumps Inc. will donate any used parts of pumps to local educational facilities that maintain Millwright programs such as BCIT (Burnaby, BC) and Kwantlen Polytechnic University (Surrey, BC) or other educational facilities requested by the City.

Financial Impact

Funding for the work under this contract is identified and included in various operating and capital budgets within Council-approved funding levels. The estimated value of the contract is shown in Table 1.

Table 1 - Estimated Costs

Estimated Costs	
First year (2021 to 2022)	\$ 444,000
Second year (2022 to 2023)	\$ 444,000
Third year (2023 to 2024)	\$ 452,880
Fourth year (2024 to 2025)	\$ 461,937
Fifth year (2025 to 2026)	\$ 471,176
Subtotal	\$ 2,273,993
10% Contingency	\$ 227,399
Total Estimated Costs	\$ 2,501,392

October 7, 2021

- 4 -

Conclusion

This report presents the procurement process and agreement details for Contract 6437F – Supply of Drainage Pumps, Parts and Services.

It is recommended that the contract be awarded to KSB Pumps Inc. for a five-year term and that the Chief Administrative Officer and the General Manager, Engineering and Public Works be authorized to negotiate and execute the contract.



Ben Dias
Manager, Sewerage and Drainage
(604-244-1207)

BD:bd