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**Finance Committee**

**Anderson Room, City Hall  
6911 No. 3 Road**

**Monday, April 6, 2020**

**Immediately following the General Purposes Committee meeting**

Pg. #      ITEM

MINUTES

FIN-3

*Motion to adopt the **minutes** of the meeting of the Finance Committee held on January 7, 2020.*

FINANCE AND CORPORATE SERVICES DIVISION

1. **2019 ANNUAL DEVELOPMENT COST CHARGES REPORT**

(File Ref. No. 03-1070-04-01/2020) (REDMS No. 6423932 v. 2)

FIN-7

**See Page FIN-7 for full report**

*Designated Speaker: Cindy Gilfillan*

STAFF RECOMMENDATION

*That the staff report titled, "2019 Annual Development Cost Charges Report," dated March 6, 2020 from the Director, Finance be received for information.*

Pg. #      ITEM

2.    **2019 ANNUAL PROCUREMENT REPORT**  
(File Ref. No. 02-0745-01) (REDMS No. 6402948 v. 5)

**FIN-24**

[See Page FIN-24 for full report](#)

*Designated Speaker: David Aarons*

STAFF RECOMMENDATION

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

ADJOURNMENT



## Finance Committee

Date: Tuesday, January 7, 2020

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Chak Au  
Councillor Carol Day  
Councillor Kelly Greene  
Councillor Alexa Loo  
Councillor Bill McNulty  
Councillor Harold Steves  
Councillor Michael Wolfe

Absent: Councillor Linda McPhail

Call to Order: The Chair called the meeting to order at 5:40 p.m.

### MINUTES

It was moved and seconded  
*That the minutes of the meeting of the Finance Committee held on December 2, 2019, be adopted as circulated.*

**CARRIED**

### FINANCE AND CORPORATE SERVICES DIVISION

1. **FINANCIAL INFORMATION – 3RD QUARTER SEPTEMBER 30, 2019**  
(File Ref. No. 03-0970-09-01) (REDMS No. 6350741 v. 5)

It was moved and seconded  
*That the staff report titled, “Financial Information – 3rd Quarter September 30, 2019,” dated December 5, 2019 from the Director, Finance be received for information.*

**Finance Committee**  
**Tuesday, January 7, 2020**

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The question on the motion was not called as in response to a query from Committee, staff noted that investments in the bank are considered part of the ethical investment portfolio.

The question on the motion was then called and it was **CARRIED**.

It was moved and seconded

*That staff review the City's cash investment portfolio with respect to holdings with Royal Bank, TD Bank and CIBC and replacing them with an alternate investment outside of the fossil fuel industry, at their discretion.*

The question on the referral motion was not called as in response to queries from Committee, staff advised that (i) under the *Community Charter* section 183, the City is limited on the types of investments it can make, (ii) to diversify the risk, the City does not heavily invest on one bank, and (iii) when making investments the factors considered are: preservation of capital, liquidity, ratings, most safe investment and diversification.

Discussion ensued regarding eco-friendly companies and investments.

The question on the referral motion was then called and it was **DEFEATED ON A TIE VOTE** with Mayor Brodie, Cllrs. Au, Loo and McNulty opposed.

2. **ACTIVE CAPITAL PROJECTS INFORMATION - 3RD QUARTER SEPTEMBER 30, 2019**

(File Ref. No. 03-1200-05) (REDMS No. 6323698 v. 7)

It was moved and seconded

*That the staff report titled, "Active Capital Projects Information - 3rd Quarter September 30, 2019," dated December 5, 2019 from the Director, Finance be received for information.*

The question on the motion was not called as in response to queries from Committee, staff noted that part of the funding for the Westminster Highway Culvert replacement project was obtained through previously approved capital, and funding for the Garden City Lands Phase 2 & 3 will be set aside until the Non-Farm Use Application has been brought forward for Council consideration.

It was suggested that the public be advised of the dike upgrades that recently took place.

The question on the motion was then called and it was **CARRIED**.

LULU ISLAND ENERGY COMPANY

3. **LULU ISLAND ENERGY COMPANY – 3RD QUARTER FINANCIAL INFORMATION**

(File Ref. No. 10-6600-10-01) (REDMS No. 6338208)

It was moved and seconded

*That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 3rd Quarter Financial Information,” dated November 5, 2019 from the Chief Financial Officer, Lulu Island Energy Company be received for information.*

**CARRIED**

RICHMOND OLYMPIC OVAL CORPORATION

4. **RICHMOND OLYMPIC OVAL CORPORATION – 3RD QUARTER 2019 FINANCIAL INFORMATION**

(File Ref. No.) (REDMS No. 6363528)

In reply to queries from Committee, staff noted that (i) to ensure that other community centres are not negatively impacted the Oval competes in markets that can charge rates that are comparable to private fitness facilities, (ii) the Oval has a diverse offering of programs, (iii) lower rates could result in lower visitation to other community centres and an increase to taxpayers, (iv) discounted rates are available at various times of the day as well as for length of membership at the Oval, and (v) the higher cost of operating the Oval requires additional revenue.

Discussion took place on membership fees at the Richmond Olympic Oval.

As a result of the discussion, the following **referral motion** was introduced:

*That staff provide an analysis of the membership fees at the Richmond Olympic Oval.*

**DEFEATED**

Opposed: Mayor Brodie  
Cllrs. Au  
Loo  
McNulty  
Steves

**Finance Committee**  
**Tuesday, January 7, 2020**

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It was moved and seconded

*That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2019 from the Controller of the Richmond Olympic Oval Corporation be received for information.*

**CARRIED**

5. **RICHMOND OLYMPIC OVAL CORPORATION – 2020 ANNUAL OPERATING AND CAPITAL BUDGETS**

(File Ref. No.) (REDMS No. 6363525)

It was moved and seconded

*That the report titled “Richmond Olympic Oval Corporation – 2020 Annual Operating and Capital Budgets” from the Controller of the Richmond Olympic Oval Corporation be received for information.*

The question on the motion was not called as in response to queries from Committee, staff noted that (i) the City’s contribution is done in accordance with the operating agreement between the City and the Oval and has increased based on Consumer Price Index, (ii) the Oval has a list of salaries over \$75,000, (iii) the Richmond Olympic Experience (ROX) is a department at the Oval, and (iv) the revenue and expenses associated with the ROX are included in the membership, admissions and programs section.

Committee requested a staff memorandum with additional information on the Richmond Olympic Experience.

The question on the motion was then called and it was **CARRIED**.

**ADJOURNMENT**

It was moved and seconded

*That the meeting adjourn (6:10 p.m.).*

**CARRIED**

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Tuesday, January 7, 2020.

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Mayor Malcolm D. Brodie  
Chair

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Sarah Goddard  
Legislative Services Coordinator

4.



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** March 6, 2020

**From:** Jerry Chong, CPA, CA  
Director, Finance

**File:** 03-1070-04-01/2020-  
Vol 01

**Re:** 2019 Annual Development Cost Charges Report

### Staff Recommendation

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

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

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Development Applications	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
<b>SENIOR STAFF REPORT REVIEW</b>	INITIALS: 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

In compliance with section 569 of the *Local Government Act*, the City is required to prepare a Development Cost Charges (DCC) report on or before June 30<sup>th</sup>, with information from the previous year. The DCC report must include the following, reported under subsection (2) of section 569 for which the local government imposes development cost charges in the applicable year:

- (a) the amount of development cost charges received;*
- (b) the expenditures from the development cost charge reserve funds;*
- (c) the balance in the development cost charge reserve funds at the start and at the end of the applicable year;*
- (d) any waivers and reductions under section 563 (2).*

This report supports Council's Strategic Plan 2018-2022 Strategic Focus Area #5 Strong Financial Management and #8 An Engaged and Informed Community:

*5.2. Clear accountability through transparent budgeting practices and effective public communication.*

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

*8.2. Ensure citizens are well-informed with timely, accurate and easily accessible communication using a variety of methods and tools.*

### Analysis

The City's 2019 Annual DCC Report covers the following six broad categories:

- (i) Description and principles of the City of Richmond's DCC program;
- (ii) 2019 DCC reserve fund balances;
- (iii) 2019 DCC credits;
- (iv) 2019 and 2020 DCC programs;
- (v) Waivers and reductions; and
- (vi) Municipal assist factor.

The 2019 Annual Development Cost Charges Report includes contribution amounts for which the City holds a Letter of Credit from the developer, where the cash will be received in the future based on the defined payment schedule. The Report does not include amounts received as of December 31, 2019 that are not confirmed due to potential DCC credits. These amounts, if applicable, will be reported in future periods.

New DCC rates were established through the Development Cost Charges Imposition Bylaw No. 10003 effective May 14, 2019.

A copy of the 2019 Annual Development Cost Charges Report, which will be available for public viewing on the City's website before June 30, 2020, is attached for information.



**Financial Impact**

None.

**Conclusion**

The attached 2019 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 569 of the *Local Government Act*.



Cindy Gilfillan, CPA, CMA  
Manager, Financial Reporting  
(604-276-4077)

Att. 1: 2019 Annual Development Cost Charges Report

City of Richmond  
**2019 Annual Development  
Cost Charges Report**

For the year ended December 31, 2019

**CITY OF RICHMOND**  
**2019 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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This 2019 Annual Development Cost Charges (DCC) Report is prepared by the City of Richmond (“City”) pursuant to Section 569 of the *Local Government Act*. This report contains information pertaining to the following reporting requirements:

- I. Description and Principles of the City’s DCC Program
- II. 2019 DCC Reserve Fund Balances
- III. 2019 DCC Credits
- IV. 2019 and 2020 DCC Programs
- V. Waivers and Reductions
- VI. Municipal Assist Factor

**I. DESCRIPTION AND PRINCIPLES OF THE DCC PROGRAM**

*What is the purpose of the DCC Program?*

The purpose of the DCC Program is to provide the municipality with a dedicated source of funding to plan, develop, and implement infrastructure services identified by the City. The objective of the DCC program is to ensure that those whom will use and benefit from the services developed will pay their share of the costs in a fair and equitable basis. The DCC program is one of the many pieces of the City’s broader community development framework. It is developed in ways that are consistent with the City’s long-term planning objectives and financial strategies.

*What are DCC’s?*

DCC’s are levies placed on new development to assist in financing the cost of upgrading or providing infrastructure services, as well as supporting the cost of acquiring and developing parkland needs in order to accommodate the growing population.

Capital projects include but are not limited to:

- New or widening of existing arterial roads, improvements to traffic signals, sidewalks, walkways, bicycle lanes, upgrades to transit-related road infrastructures and traffic safety projects;
- Replacement and upgrades to watermains, pressure reducing valve stations, drainage mains, pump stations and channel, upgrades to sanitary sewer mains and pump stations; and
- Acquisition and development of parkland (playing fields, drainage and irrigation, turf, etc.)

# CITY OF RICHMOND

## 2019 ANNUAL DEVELOPMENT COST CHARGES REPORT

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*What are the guiding principles in developing the DCC program?*

Each local government has a fundamental philosophy with respect to development and the government's role in facilitating that development. The City's DCC program has been developed to be consistent with the following legislation, plans, and policy guides:

- Local Government Act
- Development Cost Charges Best Practices Guide
- City of Richmond Official Community Plan (OCP)
- Urban Futures Community-Level Projections of Population, Housing & Employment
- City of Richmond Parks and Open Space Strategy
- City of Richmond City Centre Transportation Plan
- City of Richmond City Centre Area Plan (CCAP)
- City of Richmond Employment Lands Strategy
- City of Richmond Trail Strategy
- City of Richmond Hamilton Area Plan Update

Furthermore, to ensure that affected stakeholders are informed about the DCC program, the City is required to consult, receive, and consider comments from representatives of the development industry. Representatives include members from the Urban Development Institute (UDI), Greater Vancouver Home Builders Association (GVHBA), National Association of Industrial and Office Properties (NAIOP), and local homebuilders and developers.

*How are DCC rates derived?*

The City began the DCC process by determining the amount of growth expected to occur based on the City's OCP. Using the growth projections for residential, commercial, industrial, and institutional developments, the City identified specific infrastructure needs to accommodate this growth. The corresponding estimated costs formed the basis of the DCC Program.

New DCC rates were established through the Development Cost Charges Imposition Bylaw No. 10003 effective May 14, 2019.

*How are DCCs used?*

Funds collected through the DCC program are deposited in a separate reserve account. These funds may only be used to pay for the expenditures of the capital project or finance the costs related to debt incurred for the capital project.

DCC cannot be used for costs incurred to operate and maintain parks, roads, watermains, sanitary and storm sewers already in place to serve the existing residents of the City, or to

**CITY OF RICHMOND**  
**2019 ANNUAL DEVELOPMENT COST CHARGES REPORT**

replace infrastructure if the replacement is not capacity-driven as a result of development. In addition, DCC collected cannot be used to pay for services such as recreation, policing, fire and library that are also affected by growth.

*How are costs allocated to growth and existing users?*

To achieve the objective of promoting growth and to ensuring the use of a fair and equitable basis of allocating costs, the costs of the DCC are allocated between growth and the existing population based on assessed benefit factors.

**II. 2019 DCC RESERVE FUND BALANCES**

The City records and maintains separate accounts for each DCC reserve fund. The following table provides a continuity schedule of each DCC reserve fund (by service) for the 2019 fiscal year:

*(amounts expressed in thousands of dollars)*

	January 1 Balance	Transfers In	Interest Earned	DCC Credits	Transfers Out	December 31 Balance
<b>City-Wide:</b>						
Drainage	\$ 32,647	\$ 5,721	\$ 824	\$ -	\$ (147)	\$ 39,045
Parks Acquisition	32,105	9,887	800	-	(102)	42,690
Parks Development	17,650	5,404	368	(1,873)	(2,733)	18,816
Roads	41,248	25,690	996	(2,589)	(7,797)	57,548
Sanitary Sewer	20,704	4,160	528	(256)	-	25,136
Water	6,463	1,430	153	(42)	(668)	7,336
<b>Total City-Wide</b>	<b>\$ 150,817</b>	<b>\$ 52,292</b>	<b>\$ 3,669</b>	<b>\$ (4,760)</b>	<b>\$ (11,447)</b>	<b>\$ 190,571</b>
<b>Local Area - Alexandra:</b>						
Drainage	\$ 1,377	\$ 160	\$ 35	\$ -	\$ -	\$ 1,572
Parks Acquisition	2,197	815	37	-	(2,100)	949
Parks Development	778	103	19	-	(255)	645
Roads	3,010	812	73	(736)	-	3,159
Sanitary Sewer	482	37	12	-	-	531
Water	221	17	6	-	-	244
<b>Total Local Area</b>	<b>\$ 8,065</b>	<b>\$ 1,944</b>	<b>\$ 182</b>	<b>\$ (736)</b>	<b>\$ (2,355)</b>	<b>\$ 7,100</b>
<b>Total DCC Reserve</b>	<b>\$ 158,882</b>	<b>\$ 54,236</b>	<b>\$ 3,851</b>	<b>\$ (5,496)</b>	<b>\$ (13,802)</b>	<b>\$ 197,671</b>

**CITY OF RICHMOND**  
**2019 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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**III. 2019 DCC CREDITS**

<b>Site Address</b>	<b>Developer/Applicant</b>
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Drainage

No credits for drainage were issued during 2019.

Parkland Acquisition

No credits for parkland acquisition were issued during 2019.

Parkland Development

6811 Pearson Way	IBI Group Architects (Canada) Inc.
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Roads

8011 Zylmans Way	Omicron Construction Ltd.
8633 Capstan Way	Bingham Hill Architects
9213 Odlin Road	Polygon Berkeley House Ltd.
9233 Odlin Road	Polygon Berkeley House Ltd.

Sanitary Sewer

3333 Brown Road	Polygon Avanti Homes
8633 Capstan Way	Bingham Hill Architects
8988 Patterson Road	GBL Architects

Water

8633 Capstan Way	Bingham Hill Architects
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**CITY OF RICHMOND**  
**2019 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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**IV. 2019 and 2020 DCC PROGRAMS**

Drainage

The projects in the Drainage DCC Program include upgrades to box culverts, drainage mains and pump stations.

A summary of the projects funded by the Drainage DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 1.

Parkland Acquisition and Park Development

The projects in the Parks Acquisition DCC Program include acquisition and internal repayments for park land and open space required to meet the needs of the City's growth. The projects include park planning and development as well as new playgrounds. Areas impacted include urban parks, community parks, neighbourhood parks, trails, natural areas and waterfront parks.

A summary of the projects funded by the Parks Acquisition and Parks Development DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 2.

Roads

The projects in the Roads DCC Program include new/widening of roads, intersection and traffic signal improvements, selected arterial improvements, pedestrian and cyclist improvements, transit-related road infrastructure, traffic safety projects and internal repayments.

A summary of the projects funded by the Roads DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 3.

Sanitary Sewer

The projects in the Sanitary Sewer DCC Program include upgrades to sanitary sewer gravity mains, forcemains and pump stations.

A summary of the projects funded by the Sanitary Sewer DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 4.

Water

The projects in the Water DCC Program include upgrades to watermains and pressure reducing valve stations.

A summary of the projects funded by the Water DCC during 2019 and the projects set to begin in 2020 is contained in Appendix 5.

**CITY OF RICHMOND**  
**2019 ANNUAL DEVELOPMENT COST CHARGES REPORT**

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**V. WAIVERS AND REDUCTIONS**

Section 563 of the Local Government Act provides the option for municipalities to exempt or waive DCC for the following classes of eligible development:

- Not-for-profit rental housing, including supportive living housing;
- For-profit affordable rental housing;
- A subdivision of small lots that is designed to result in low greenhouse gas emission; and
- A development designed to result in a low environmental impact.

For the year of 2019, no waivers or reductions were granted.

**VI. MUNICIPAL ASSIST FACTOR**

The Local Government Act recognizes that the City and existing residents can also receive a marginal benefit from the associated capital improvements. As such, the Local Government Act stipulates that an assist factor will be included as part of the calculation of DCC. An assist factor represents the City's contribution towards the capital projects that are attributable to new developments. In determining the municipal assist factor, the City considers the following factors:

- Future land use patterns and development;
- Phasing of works and services;
- Whether the charges are excessive in relation to the capital costs of prevailing standards of service;
- Whether the costs will deter development; or
- Whether the charges will discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land.

Based on the above factors and the assessment that the majority of the capital improvements are a result of new growth, the City's municipal assist factor has been set at 1% which is the minimum amount the City may contribute.



**DRAINAGE – 2019 Expenditures**

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Drainage DCC during 2019:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Horseshoe Slough	Pump station upgrade
Steveston Highway and No. 3 Road	Pump station upgrade

**DRAINAGE – 2020 Projects**

This table summarizes all projects funded by the Drainage DCC that have been approved in the 2020 Capital Budget:

No projects were funded from Drainage DCC in 2020.

**PARKS – 2019 Expenditures**

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Parks DCC during 2019:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Britannia Shipyards National Historic Site	Advanced planning and design
City-wide	Advanced planning and design
Middlearm Gateway Waterfront Park	Advanced planning and design
West Cambie Park	Advanced planning and design, and development of neighbourhood park
Minoru Park	Advanced planning and design, backstop upgrades and lakes renewal
Garden City Lands	Design and construction
London Steveston Park	Development of neighbourhood park
Oval West Waterfront Park	Development of neighbourhood park
Paulik Neighbourhood Park	Development of neighbourhood park
The Gardens Agricultural Park	Development of neighbourhood park
Aberdeen Park	Development of playground and garden
City-wide	General development
Terra Nova Rural Park	Landscaping, washroom installation and waterfront development
City-wide	Parkland acquisition and repayment
City-wide	Parks identity signage program
Hollybridge Way and Middle Arm	Pier construction and development of neighbourhood park
City-wide	Playground improvement program

**PARKS – 2020 Projects**

This table summarizes all projects funded by the Parks DCC that have been approved in the 2020 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Advanced planning and design
Lang Park	Development of neighbourhood park
London Steveston Park	Development of neighbourhood park
Railway Granville Bike Park	Development of neighbourhood park
Riverport Waterfront and Cook Neighbourhood Park	Development of neighbourhood park
City-wide	General development
Minoru Park	Lakes renewal and development of neighbourhood park
City-wide	Parkland acquisition and repayment
City-wide	Parks identity signage program

**ROADS – 2019 Expenditures**

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Roads DCC during 2019:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Accessible pedestrian signal program
City-wide	Active transportation improvement program
City-wide	Advanced design
City-wide	Arterial roadway improvement program
City-wide	Functional and preliminary design (Transportation)
Lansdowne Road: Alderbridge Way to Minoru Blvd.	Interim road extension with walkways and bicycle lanes
River Parkway: Gilbert Road to Cambie Road	Interim road extension with walkways and bicycle lanes
City-wide	Lansdowne Road repayment
City-wide	LED street name sign program
Alderbridge Way: No. 4 Road to Shell Road	Multi-use pathway
River Drive: No. 4 Road to Van Horne Way	Multi-use pathway
Steveston Highway: Shell Road to Mortfield Gate	Multi-use pathway
City-wide	Neighbourhood walkway program
City-wide	Nelson Road interchange repayment
City-wide	River Road / North Loop repayment
City-wide	Special crosswalk program
City-wide	Traffic calming program
City-wide	Traffic signal power backup system (UPS)
City-wide	Traffic signal program
City-wide	Traffic video and communication program
City-wide	Transit-related amenity improvement program
City-wide	Transit-related roadway improvement program

**ROADS – 2020 Projects**

This table summarizes all projects funded by the Roads DCC that have been approved in the 2020 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Accessible pedestrian signal program
City-wide	Active transportation improvement program
City-wide	Advanced design
No. 2 Road: Steveston Highway to Williams Road	Advanced design
Steveston Highway: No. 2 Road to Railway Avenue	Advanced design
City-wide	Arterial roadway improvement program
City-wide	Functional and preliminary design (Transportation)
Cambie Road and No. 5 Road	Intersection improvement and multi-use pathway
City-wide	LED street name sign program
Steveston Highway: Mortfield Gate to No. 2 Road	Multi-use pathway
City-wide	Neighbourhood walkway program
City-wide	Nelson Road interchange repayment
City-wide	River Road / North Loop repayment
City-wide	Road safety related improvements
City-wide	Special crosswalk program
City-wide	Traffic calming program
City-wide	Traffic signal power backup system (UPS)
City-wide	Traffic signal program
City-wide	Traffic video and communication program
City-wide	Transit-related amenity improvement program
City-wide	Transit-related roadway improvement program

**SANITARY SEWER – 2019 Expenditures**

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Sanitary Sewer DCC during 2019:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Cook Gate and Cook Road	Pump station replacement and upgrades

**SANITARY SEWER – 2020 Projects**

This table summarizes all projects funded by the Sanitary Sewer DCC that have been approved in the 2020 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Hamilton Area	Pump station replacement
Leslie Road and No. 3 Road	Pump station replacement
Cook Gate and Cook Road	Pump station replacement and upgrades

**WATER – 2019 Expenditures**

This table summarizes all projects approved in 2019 and earlier that had expenditures funded by the Water DCC during 2019:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-Wide	Watermain replacement
Lulu Island North Area	Watermain replacement

**WATER – 2020 Projects**

This table summarizes all projects funded by the Water DCC that have been approved in the 2020 Capital Budget:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-Wide	Watermain replacement



# 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>