



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** June 21, 2016
From: Victor Wei, P. Eng.
 Director, Transportation **File:** 02-0775-50-3118/Vol 01
Re: **Recommendation to Award Contract 5659 EOI - Supply and Installation of Conduits & Water Service Pipes Using Trenchless Technology and Other Related Civil Works**

Staff Recommendation

1. That Contract 5659 EOI – “Supply and Installation of Conduits & Water Service Pipes Using Trenchless Technology and Other Related Civil Works” be awarded to Ulmer Contracting Limited and that staff be authorized to extend the contract in one-year increments up to five years in total and, if required, extend the contract beyond the five-year term on a month-by-month basis until such time a new contract can be advertised and awarded.
2. That the Chief Administrative Officer and General Manager, Planning and Development, be authorized to execute the above contract.

Victor Wei, P. Eng.
 Director, Transportation
 (604-276-4131)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Roads & Construction	<input checked="" type="checkbox"/>	
Parks	<input checked="" type="checkbox"/>	
Water Services	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: DW	APPROVED BY CAO

Staff Report

Origin

Contract 3118Q (*Supply and Installation of Conduits & Water Service Pipes Using Trenchless Technology and Other Related Civil Works*) allows the City to retain a civil contractor to employ horizontal directional drilling methods (trenchless technology) to install conduits and water service pipes in various configurations on an as-needed basis. This current contract between the City and Ulmer Contracting Limited expired on December 31, 2015 and is currently being extended on a month-to-month basis. Following the completion of a Request for Expressions of Interest (RFEOI) process to identify a qualified civil contractor for a new contract, staff have identified Ulmer Contracting Limited as the most qualified contractor to undertake this work.

This report supports Council's 2014-2018 Term Goal #6 Quality Infrastructure Networks:

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.

6.1. Safe and sustainable infrastructure.

6.2. Infrastructure is reflective of and keeping pace with community need.

Analysis

Use of Trenchless Technology by the City

Several years ago, the City began using trenchless technology to install City infrastructure (i.e., electrical and communications conduit and water service pipes). The three main benefits of using this methodology for installing underground infrastructure are:

- cost savings as there is little or no road and/or sidewalk reinstatement required (as there is no open trench);
- less inconvenience to the general public (e.g., no lane closures); and
- reduced length of the construction schedule.

To date, the Transportation Department is responsible for approximately 60 per cent of the work issued under this contract for traffic signal infrastructure improvement projects while the Public Works & Engineering Division accounts for the remaining 40 per cent for waterworks and roadway lighting improvement projects. The Information Technology Department also uses these services for city-wide fibre optic cable network expansion by coordinating their needs through the Transportation Department's Traffic Signal section.

Because this technology is specialized and requires an experienced contractor with full service capacity, the City opted to utilize a Request for Expressions of Interest (RFEOI) Process instead of a Request for Tender Process as the former emphasizes qualifications and experience over the latter, which focuses on the lowest responsive cost. An RFEOI allows the City to "pre-qualify" a contractor based upon qualifications and experience as a first step and then, if there is more than

one fully qualified respondent, a second-phase competitive bid process to review pricing will be undertaken. This approach of placing emphasis on qualifications and experience of the contractor is important as this type of site work could result in severe consequences from damaging other existing underground utilities if the work is not performed properly. The RFEOI also included a provision to negotiate a contract directly with the most qualified and experienced respondent identified.

5659 EOI - Supply and Installation of Conduits & Water Service Pipes Using Trenchless Technology and Other Related Civil Works

The City’s Purchasing section within the Finance Department worked with the Transportation Department to conduct the procurement process to identify the most and fully qualified and experienced contractor for the new contract. 5659 EOI for the *Supply and Installation of Conduits & Water Service Pipes Using Trenchless Technology and Other Related Civil Works* was issued to the marketplace by the City on April 13, 2016 with a closing date of April 29, 2016.

Three expressions of interest were received and evaluated by a staff team from four different City departments consisting of Transportation, Water, Roads, and Engineering who use and are familiar with the requirements for this type of work. The evaluation criteria used were:

- (1) Understanding of the City’s requirements
- (2) Quality and completeness of the described methodology
- (3) Respondent’s capacity and qualifications
- (4) Quality of submission

Table 1 below identifies the three respondents and the evaluation team’s consolidated weighted average ranking of each expression of interest across the criteria. As shown, only Ulmer Contracting Limited was deemed the only fully qualified and experienced contractor across all aspects. Ulmer consistently outranked the other two respondents and was the only respondent who demonstrated a full understanding of the City’s requirements. Accordingly, the City wishes to negotiate and enter into an agreement with Ulmer Contracting Limited for the provision of the services outlined in the RFEOI and this report.

Table 1: Evaluation of Proposals

Evaluation Criterion	Hexcel Construction Limited	Trenchless Drilling Services Inc	Ulmer Contracting Limited
Understanding of City’s Requirements	Partially Met (62.5%)	Partially Met (75.0%)	Fully Met (100%)
Quality and Completeness of Described Methodology	Partially Met (73.1%)	Partially Met (72.5%)	Substantially Met (84.4%)
Respondent’s Capacity and Qualifications	Barely Met (50.0%)	Partially Met (72.5%)	Substantially Met (93.8%)
Quality of Submission	Barely Met (50.0%)	Partially Met (72.5%)	Substantially Met (93.8%)
Overall Ranking	57%	73%	93%

Contract 5659 EOI would be a one-year contract commencing on August 1, 2016 and, upon mutual agreement between the City and the Contractor, could be extended in one-year increments for an additional four years. Prior to the end of the initial year of the contract, the City would review with Ulmer Contracting Limited any factors that determine any proposed annual price adjustments, based on the current costs of materials and labour. Any mutually agreed adjustments will be applied at the beginning of the extension years.

Financial Impact

The proposed contract would be funded from multiple budgets already approved by Council. The work would be defined and issued on an “as required” basis based on the annual capital programs approved by Council. The estimated value of the contract by City department for Year 1 is shown in Table 2.

Table 2: Estimated Value of Contract by Department for Year 1

Department	Value	%
Transportation	\$700,000	36.8%
Information Technology	\$100,000	5.4%
Roads & Construction	\$200,000	10.5%
Water	\$700,000	36.8%
Parks	\$200,000	10.5%
Total	\$1,900,000	100%

The total estimated maximum value of the contract in Year 1 is not a fixed number as the work will be done on an “as required” basis as noted above. Staff would ensure that the actual work done would not exceed the approved budget values.

Conclusion

The most qualified contractor, Ulmer Contracting Limited, has been the City of Richmond’s drilling contractor since 2004 and has provided the City quality and cost-effective services over this period of time. Of the three expressions of interest received, Ulmer Contracting Limited represents the best value and has the required experience, staff and specialized equipment resources to meet the needs of multiple City departments who use these services.

Staff therefore recommend that Contract 5659 EOI be awarded to Ulmer Contracting Limited and that staff be authorized to extend the contract in one-year increments up to five years in total and, if required, extend the contract beyond the five-year term on a month-by-month basis until such time a new contract can be advertised and awarded. Staff further recommend that the Chief Administrative Officer and General Manager, Planning and Development, be authorized to execute the above contract.

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SLM:jc