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CORPORATE REPORT

NO: R063 COUNCIL DATE: April 8, 2024

REGULAR COUNCIL

TO:	**Mayor & Council**	DATE:	**April 4, 2024**
FROM:	**General Manager, Engineering**	FILE:	**2320-20**
SUBJECT:	**Award of Contract No. 1220-040-2024-012 Hydrovac Material Deposition**		

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 1220-040-2024-012 to Vacterra Hydrovac Inc. for deposition services for Engineering Operations for an initial one-year term, commencing April 15, 2024, with an estimated annual base cost in the first year of $525,000 (including applicable taxes);

2. Set the expenditure authorization limit for the first year of Contract No. 1220-040-2024-012 at $577,500 (including applicable taxes and contingency);

3. Approve the option to extend Contract No. 1220-040-2024-012 for three additional one-year terms at the City's sole discretion; and

4. Authorize the General Manager, Engineering to execute Contract No. 1220-040-2024-012 and annual contract amendments, subject to satisfactory performance and any other related consideration, adjusting the cost of the goods and services based on changes to operational need and the Vancouver Area Consumer Price Index as published by Statistics Canada ("CPI") for any optional extension terms.

INTENT

The purpose of this report is to obtain Council's approval to award Contract No. 1220-040-2024-012 for hydrovac deposition servicing Engineering Operations, with the option to extend the contract for up to three additional one-year terms at the City's sole discretion.

BACKGROUND

Engineering Operations historically disposes of up to two thousand loads of hydro excavated material at a holding location to dry, then transports the material to a fill site. This process is both costly and emission-heavy, involving significant expenditures on transportation, storage and handling.

Additionally, it contributes to environmental pollution through emissions from transportation vehicles. However, by depositing hydro excavated material directly to the successful proponent, the City stands to make substantial financial savings. Not only would this approach eliminate the need for intermediate storage and transportation, but it could potentially reduce emissions associated with these activities. The estimated annual saving of $188,208 highlights the significant economic benefits that could be realized by adopting a more streamlined and environmentally friendly disposal process. Moreover, by minimizing the reliance on traditional disposal methods, the City could also contribute to the broader goal of sustainable waste management practices within the engineering industry.

QUOTATION RESULTS

A Request for Quotation ("RFQ") followed the City's Purchasing Bylaw and was publicly posted on BC Bid and the City of Surrey website in February 2024. Three submissions that met the bid requirements were received and opened on March 7, 2024, with the following results:

	Proponent	***Tendered Amount (including GST)***	***Corrected Amount***
1	Vacterra Hydrovac Inc	$525,000	No Change
2	1233899 BC Ltd. D.B.A Clearwater	$945,000	No Change
3	Summit Earthworks Inc.	$2,415,000	No change

EVALUATION

The evaluation team included staff from Engineering Department and the Finance Department who reviewed the quotations for accuracy and completeness. The quotation submitted by Vacterra Hydrovac Inc. provides the best value to the City at $250 per load for up to two thousand loads annually.

A review of references indicates that Vacterra Hydrovac Inc.'s past performance has been satisfactory. They have no legal claims against the city. It is therefore recommended that Contract No. 1220-040-2024-012 be awarded to Vacterra Hydrovac Inc.

FUNDING

Funding for this contract is available in the Engineering Operations annual budget.

Scott Neuman, P.Eng.
General Manager, Engineering

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