

ITEM 22
MANAGER'S REPORT NO. 33
COUNCIL MEETING April 29/74

Re: Tenders for Steel Water Pipe - Big Bend Area
(Item 15, Report No. 11, February 11, 1974)

Council on February 11, 1974 authorized the acceptance of the lowest tender for the supply of pipe in the Big Bend Area. As noted in the following report from the Purchasing Agent, it would now be in the Municipality's best interest to reject the lowest tender by ITT Grinnell Sales Ltd., and to accept the next lowest tender from Comco Distributors Ltd.

Basically the Grinnell Company submitted a tender qualified by the fact that it was not firm and further the delivery date space on the tender form was left blank. It should be noted that we had called for delivery for July 1974 and not for immediate delivery. The Purchasing Agent contacted the Company and there was a verbal agreement reached that if we accepted delivery immediately the Company would supply the pipe at a firm price as quoted. Documents were drawn by us and forwarded to the Company, but were never executed in the form that they had been drawn. The Company advised that the factory had let them down and they could not guarantee the price or delivery as noted below in the report. We therefore have gone full circle.

The Solicitor has reviewed the file and feels that there is not much that can be done under the circumstances.

RECOMMENDATIONS:

THAT the amended contract as returned by ITT Grinnell Sales Limited be rejected and the Company asked for a full release; and

THAT subject to receiving a release from ITT Grinnell Sales Ltd., the purchase order be issued to Comco Distributors Ltd. as follows:

3,100'	12" Sch 20 (.250W) A53B ERW Black pipe averaging 39-40 double random lengths complete with Lining, coating and wrapping as per specs in original tender and Baker mechanical couplings with 7" middle ring.	10.62'	\$32,922.00 plus 5%
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Local cartage to the wrapping plant would be extra.

TO: MUNICIPAL MANAGER

DATE: April 25, 1974

FROM: PURCHASING AGENT

RE: Tenders for Steel Water Pipe -
- Big Bend Area

Tenders were invited last year for the supply and installation of pipe in the subject area. The one tender received December 12, 1973 was returned unopened. The staff believed that a major impediment to would-be tenders was the prevailing uncertainty with respect to price and delivery date for pipe and fittings, for this reason it was considered necessary for the Municipality to undertake the purchase of the necessary materials.

On February 11, 1974, Council accepted the tenders of (see attached):

- (a) ITT Grinnell Sales Limited in the amount of \$27,284.00 plus 5% sales tax, for the supply and delivery of 12" ID pipe;
- (b) Comco Distributors Limited in the amount of \$100,435.00 plus 5% sales tax for the supply and delivery of 18" OD pipe.

The Council also:

- (i) authorized an expenditure of approximately \$2,000.00 for costs associated with the delivery of all the pipe;
- (ii) directed that tenders be called for the installation of the pipe when delivery is made.

Continued ...

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Several days later ITT Grinnell Sales Ltd. indicated that they had made an error on their tender and in fact did not have available a supply of the pipe specified. However, if given some time they were confident that they could supply it.

The Purchasing Department kept in constant touch with ITT Grinnell Sales Ltd. but with one excuse or another they still could not come up with the specified pipe and refused to sign the contract until this week. The signed contract was received but with a provision that the price was not firm and that the cost would be the price at time of shipment which would be about the middle of September, 1974.

The second lowest bid for 12" pipe was received from Comco Distributors Ltd. in the amount of \$32,922.00 plus 5% B.C. sales tax and local delivery costs. On April 23rd Comco Distributors Ltd. indicated by a letter that their price was still good and they had the pipe in stock at their yard in Burnaby.

The difference between the two bids is \$5,638.00 + 5% tax.

The question now is do we accept the low tender from ITT Grinnell Sales Ltd. with a September delivery date at a possible increase in price at time of delivery or do we go with Comco with about a 20% increase in cost but immediate delivery?

There was no performance bond required in this material supply contract.

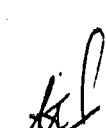
The cost of the 12" pipe is a relatively small portion of the total cost of the project. In addition it is imperative to undertake the project during the dry weather.

RECOMMENDATION:

The Municipal Engineer and the Purchasing Agent recommend that the amended contract as returned by ITT Grinnell Sales Ltd. be rejected and that a Purchase Order be issued to Comco Distributors Ltd. as follows:

3,100'	12" Sch 20 (.250W) A53B ERW Black pipe averaging 39-40 double random lengths complete with Lining, coating and wrapping as per specs in original tender and Baker mechanical couplings with 7" middle ring.	10.62'	\$32,922.00 plus 5%
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Local cartage to the wrapping plant would be extra.


K.F. Williams
PURCHASING AGENT

KFW/jk

c.c. Municipal Clerk

THE CORPORATION OF THE DISTRICT OF BURNABY
TABULATION OF TENDERS FOR
STEEL PIPE (BIG BEND AREA)
5300 FT of 18" and 3100 FT of 12"

PURCHASING DEPARTMENT
 January 30, 1974

TENDER NO.	COMPANY	12" PIPE		18" PIPE		TOTAL COST DELV'D TAXES INCLUDED	TERMS
		AS SPECIFIED	ALTERNATE	AS SPECIFIED	ALTERNATE		
1.	Crane Supply Co. Ltd.	-	\$23,002.00 Ductile Iron	-	\$63,918.00 Ductile Iron	\$91,266.00	Price firm till Feb
2.	ITT Grinnell Sales Ltd.	\$27,284.00	-	-	80,320.95 20" Steel .188 Wall	114,125.63	Price not firm
3.	Bartle and Gibson Co. Ltd.	46,737.48	-	\$150,500.58 .312 Wall	-	208,146.21	Price firm till Feb
4.	Comco Distributors Ltd.	32,922.00	-	100,435.00 July '74	-	141,879.85	Price firm till Feb

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ITEM 15 MANAGER'S REPORT NO. 11 COUNCIL MEETING Feb. 11/74