



BID COMMITTEE REPORT

Meeting Date: May 7, 2020
 Contact: Alexander Ralph
 Contact No.: 604 829 2092

TO: Bid Committee
 FROM: Chief Procurement Officer

RECOMMENDATION

Recommendation to enter into a contract with Village Farms International Inc., in relation to NOITC PS20200238 – Landfill Gas Utilization Agreement Extension with Village Farms.

The City's Engineering Services Department and Village Farms have come to an agreement on a Term Sheet to guide negotiations for an extension of the contract for the City to supply landfill gas for beneficial use. The Chief Procurement Officer recommends that the Bid Committee provide authority to Engineering and Legal Services to negotiate the final terms of the agreement, under the authority of the City's Procurement Policy ADMIN-008 provided that such contract shall not be entered into until it is also approved by Council, as required by such policy. A Notice of intent to Contract has been issued and no objections or concerns were raised.

Solicitation Number:	Notice of Intent to Contract (NOITC) PS20200238 – Landfill Gas Utilization Agreement Extension with Village Farms
Description of the Goods or Service:	The City intends to continue to sell a portion of the City-collected landfill gas, not already committed to City use or to FortisBC for their planned Renewable Natural Gas Facility to be built at the Village Farms Delta site over the next two years.
Recommended Vendor:	Village Farms International, Inc.
Contract Term and Estimated Contract Value:	The recommended term of the extension is up to 20 years. The estimated revenue is \$400,000 annually with approximately 40% of the volume delivered during the first 5 years and 75% during the first 10 years.

PROCUREMENT SUMMARY

Date of Issuance of NOITC:	February 21 st , 2020
Notices Sent:	Not Applicable
Closing Date:	March 5 th , 2020
Responses Received:	Not Applicable

COMMENTS

For the recommended contract, the following requirements have been met:

- a) The products and services are being procured in accordance with the City's Procurement Policy ADMIN-008
- b) The contract being entered into is with the vendor offering the best overall value for the required products and services;
- c) Financial Planning & Analysis and the applicable business unit have reviewed and concur on the revenue and recommendation;
- d) Bid Committee approval authority exists, as outlined in the City's Procurement Policy ADMIN-008 and Council approval is required under the City's Procurement Policy ADMIN-008 due to the value being in excess of \$2 million;
- e) The Director of Legal Services, Chief Procurement Officer and General Manager, Engineering Services to be authorized to execute and deliver all legal documents on behalf of the City; and
- f) The Bid Committee's approval is pre-contract execution, the final contract terms may vary subject to final negotiations and contract execution

DECISION

The Bid Committee approved negotiating the contract extension followed by the entry into a contract in relation to NOITC PS20200238 – Landfill Gas Utilization Agreement Extension with Village Farms with Village Farms International, Inc., under the authority of the City's Procurement Policy ADMIN-008, provided that such contract shall not be entered into until it is also approved by Council, as required by such policy.