Agenda - Council - July 26, 2006

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - July 11, 2006

Item No. 1 Award of Contract for the Collection of Recyclables from Apartments File WT-1.3

STANDING COMMITTEE RECOMMENDATION:

On July 19, 2006, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submits the following to Council:

1. That BFI Canada be allowed to withdraw their bid for Alternative 2 - Award by Section without penalty.

2. That a contract for Alternative 1 of Bid Opportunity No. 68-2006 be awarded to BFI Canada Inc., the lowest evaluated responsive, responsible and qualified bidder meeting the specifications in the corrected estimated amount of $4,038,852.00, GST and MRST extra as applicable.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - July 11, 2006

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 19, 2006, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

On July 19, 2006, the Executive Policy Committee received a submission from Neil Fast, District Manager, Waste Management of Canada Corporation dated July 14, 2006, as well as a document outlining a bid comparison, in opposition to the recommendation from the Standing Policy Committee on Infrastructure Renewal and Public Works regarding the award of contract for the collection of recyclables from apartments.

STANDING COMMITTEE RECOMMENDATION:

On July 11, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: AWARD OF CONTRACT FOR THE COLLECTION OF RECYCLABLES FROM APARTMENTS BID OPPORTUNITY NO. 68-2006

FOR SUBMISSION TO: THE STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS

ORIGINAL REPORT SIGNED BY: The Director of the Water and Waste Department

REPORT DATE: June 27, 2006

RECOMMENDATION(S):

1) That BFI Canada be allowed to withdraw their bid for Alternative 2 - Award by Section without penalty.

2) That a contract for Alternative 1 of Bid Opportunity No. 68-2006 be awarded to BFI Canada Inc. the lowest evaluated responsive, responsible and qualified bidder meeting the specifications in the corrected estimated amount of $4,038,852.00, GST and MRST extra as applicable.

Report Summary

KEY ISSUES: This award is for a multi year contract funded by the Current Budget.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment: The term of the contract is from November 1, 2006 to October 31, 2012

Policy Implications

X	No
	Yes - Comment(s):

Regulatory Implications

X	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

Comment(s):

Environmental Implications

X	No
	Yes - Comment(s):

Human Resources Implications

X	No
	Yes - Comment(s):

Financial Implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment: Funds are included every year in the annual Current Budget.

REPORT

REASON FOR THE REPORT:

The award of a multi-year contract must be authorized by Council in accordance with Section B8.2.3 of the City of Winnipeg Materials Management Policy, which states that a recommendation shall be forwarded to Council for funding the difference between budgetary provision and the monetary consideration to be paid by the City pursuant to the proposed contract.

HISTORY:

Funds for this work are included every year in the Annual Current Budget for Multi-Family Recyclables collection, Account Distribution No. 445 521026 201907 and 445 521027 201907.

DISCUSSION:

The work of this contract consists of the collection of recyclables from apartments, community clubs and a limited number of small commercial premises using both carts and/or front-end containers and the transportation of collected materials to the City's designated processing facility.

The Bid Opportunity closed on May 26, with bids being received as follows:

Alternative 1 – Award as a whole

BFI Canada Inc.	$673,142.00/year[1]
Waste Management of Canada Corp.	$862,263.60/year
Halton Recycling Ltd. dba International Paper Industries	$966,088.50/year
Johnson Waste Management Ltd.	No Bid

Alternative 2 – Award by Section

	Cart Collection	Front - End Collection
BFI Canada Inc.	$381,637.00/year[1, 2]	$223,007.00/year[1, 2]
Waste Management of Canada Corp.	$653,613.60/year	$208,650.00/year
Halton Recycling Ltd. dba International Paper Industries	$699,613.50/year	$304,475.00/year
Johnson Waste Management Ltd.	No Bid	$223,365.30/year[1]

[1]Corrected amount due to a mathematical error.

[2]Both sections of the Alternative 2 – Award by Section, bid submitted by BFI Canada Inc., had errors in their submission. During the bid opening it became apparent that significant mathematical errors were made on both Form B:Price submissions for Alternative 2 – Award by Section. When

the sum of the quantities multiplied by the unit prices are added in accordance with clause B14.4.1 of the tender document, the total did not equal the Total Bid Price submitted and it becomes apparent that a transposition error had been made in the unit prices for both alternatives. BFI Canada Inc. has also confirmed by letter that their bid was submitted incorrectly and has asked to have their bid withdrawn. Therefore it is recommended that because of an error apparent on the face of the bid, BFI Canada Inc., be allowed to withdraw their bid for Alternative 2 - Award by Section.

It is in the best interest of the City to award the contract as a whole (Alternative 1) as it will save the City approximately $190,000 per year as compared to awarding each section separately.

The recommended bid is 44% lower than the pre-bid estimate. This is because of the competitiveness of the market within Winnipeg which has resulted in greater than anticipated savings.

This is a 6 year contract with a total recommended amount of $4,038,852.00 plus GST and MRST as applicable.

Solid Waste Services staff of this Department are satisfied that the low Bidder has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The low Bidder has satisfactorily carried out previous collection works of a similar nature.

The Manager of Materials Management Branch has advised that each of the bid submissions was accompanied by a appropriate bid securities, which have been certified by the Legal Services Division.

The bid recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until August 9, 2006.

FINANCIAL IMPACT:

The following financial impact statement for this project has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

Financial Impact Statement

Date: June 16, 2006

Project Name:

First Year of Program **2006**

AWARD OF CONTRACT FOR THE COLLECTION OF RECYCLABLES FROM APARTMENTS BID OPPORTUNITY NO. 68-2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 118,186	$ 691,545	$ 692,088	$ 692,666	$ 693,251
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 118,186	$ 691,545	$ 692,088	$ 692,666	$ 693,251
Less: Existing Budget Amounts	118,186	691,545	692,088	692,666	693,251
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funds for this work are included every year in the Annual Current Budget for Multi-Family Recyclables collection, Account Distribution No. 445 521026 201907 and 445 521027 201907.

je

Moira L. Geer C.A.
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Corporate Services, Legal Services Division
Corporate Finance, Materials Management Branch

External Consultation With: N/A

THIS REPORT SUBMITTED BY:

Water and Waste Department
Solid Waste Services Division
Prepared by: Darryl E. Drohomerski, C.E.T.
Processed by: Tamara Siemens/John Elias
Fax. No. 986-3745
File No. G/96

Attachment

c: Manager of Legal Services/City Solicitor, Corporate Services Department
Manager of Materials, Corporate Finance Department
N. Vollrath, Finance and Administration, Water and Waste Department
J. Elias, C.E.T., Water and Waste Department

THE CITY OF WINNIPEG
WATER AND WASTE DEPARTMENT

BID TABULATION

FOR
COLLECTION OF RECYCLABLES FROM APARTMENTS

Bid Opportunity No. 68-2006 **File No. WW/G/96**

Bidder	Total Bid Price	Completion Date	Deposit	Remarks
	Alternative 1 – Award as a whole			
BFI Canada Inc.	$673,142.00/year[1]	October 31, 2012	Bid Bond	
Waste Management of Canada Corp.	$862,263.60/year	October 31, 2012	Bid Bond	
Halton Recycling Ltd. dba International Paper Industries	$966,088.50/year	October 31, 2012	Bid Bond	
Johnson Waste Management Ltd.	No Bid			
	Alternative 2 – Award by Section			
	Cart Collection			
BFI Canada Inc.	$381,637.00/year[1]	October 31, 2012	Bid Bond	Error Apparent
Waste Management of Canada Corp.	$653,613.60/year	October 31, 2012	Bid Bond	
Halton Recycling Ltd. dba International Paper Industries	$699,613.50/year	October 31, 2012	Bid Bond	
Johnson Waste Management Ltd.	No Bid			

Bidder	Total Bid Price	Completion Date	Deposit	Remarks
		Front - End Collection		
BFI Canada Inc.	$223,007.00/year[1]	October 31, 2012	Bid Bond	Error Apparent
Waste Management of Canada Corp.	$208,650.00/year	October 31, 2012	Bid Bond	
Halton Recycling Ltd. dba International Paper Industries	$304,475.00/year	October 31, 2012	Bid Bond	
Johnson Waste Management Ltd.	$223,365.30/year[1]	October 31, 2012	Bank Draft	

[1] Corrected amount due to a mathematical error

Pre-bid Estimate	$ 1,194,849.00/year
Recommended Amount	$ 673,142.00/year