Report - Standing Policy Committee on Infrastructure Renewal and Public Works - May 8, 2007

Item No. 1 Award of Contract - Hourly Rates for Hired Equipment Services for the Brady Road Landfill
File GL-9

STANDING COMMITTEE RECOMMENDATION:

On May 9, 2007, 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 a multi-year contract for Bid Opportunity No. 185-2007 be awarded to Hugh Munro Construction Ltd., the lowest evaluated responsive bidder meeting the specifications in the amount of $1,603,710.00 per year plus GST and MRST as applicable and an annual CPI increase for the period of July 1, 2007 to June 30, 2012.

2. 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 - May 8, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 9, 2007, 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.

STANDING COMMITTEE RECOMMENDATION:

On May 8, 2007, 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 HOURLY RATES FOR HIRED EQUIPMENT SERVICES FOR THE BRADY ROAD LANDFILL FOR THE PERIOD JULY 1, 2007 TO JUNE 30, 2012, BID OPPORTUNITY NO. 185-2007

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

ORIGINAL REPORT SIGNED BY: Barry MacBride, P. Eng.
Director of the Water and Waste Department

REPORT DATE: April 18, 2007

RECOMMENDATION(S):

That a multi-year contract for Bid Opportunity No. 185-2007 be awarded to Hugh Munro Construction Ltd., the lowest evaluated responsive bidder meeting the specifications in the amount of $1,603,710.00/year plus GST and MRST as applicable and an annual CPI increase for the period of July 1, 2007 to June 30, 2012.

Report Summary

KEY ISSUES: This award is for a multi-year contract worth over $5,000,000.00.

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 July 1, 2007 to June 30, 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 for future years are not in an approved 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 the appropriate Standing Committee shall forward a recommendation to Council including where appropriate, a recommendation for funding the difference between the budgetary provision and the monetary consideration to be paid by the City pursuant to the proposed contract.

HISTORY:

Funds for the supply of equipment services for the Brady Road Landfill are included in the annual Current Budget identified as Non-professional Services, Account Number 445 521020 201904.

DISCUSSION:

The work of this contract consists of Equipment Services for the Brady Road Landfill, for the period of July 1, 2007 to June 30, 2012.

The major components of the work are as follows:

(a) The supply of equipment, including an operator, for levelling and compacting solid waste;

(b) The supply of equipment, including an operator, for excavating, transporting and spreading of cover and cap material.

The Bid Opportunity closed on April 4, 2007, with bids being received as follows:

Hugh Munro Construction Ltd	$1,603,710.00/year
Taillieu Construction Ltd	$1,699,990.00/year
Edie Construction Ltd	$1,865,850.00/year
H. Baudry Construction (1980) Ltd	$2,602,930.00/year

Clause D13 of the Bid Opportunity states that the unit prices specified on Form B: Prices will be adjusted on the first Contract anniversary date, and subsequent anniversary dates based on the percentage increase or decrease in unit prices for the Contract year, based on eighty five percent (85%) of the Consumer Price Index for Canada. The calculation of the adjustment will be based on June of the previous year to June of the current year. Nonetheless; the maximum annual adjustment shall not exceed 10%.

The total cost of the contract from July 1, 2007 to June 30, 2012 based on an annual maximum increase of 10% is $9,790,806.00.

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 construction works of a similar nature.

The recommended Contractor has a (COR) Certificate of Recognition provided by the Manitoba Heavy Construction Association's Safety, Health and Environment Program, Certification No. MH041126H.

The Manager of Materials Management Branch has advised that each of the bid submissions was accompanied by a bid bond and an agreement to bond, 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 July 3, 2007.

The low bid is approximately 14% higher than the pre-bid estimate. The pre-bid estimate was prepared using an estimated increase of 25% over the current hourly rate for hiring private equipment. The estimated increase was based on a rise in cost of operating similar City owned equipment, particularly the cost of diesel fuel.

The low bidder has advised that costs for heavy equipment rental have increased due to factors such as:

- Increased diesel fuel costs,
- Increased equipment capital and operating costs,
- Increased labour costs and decreased availability of equipment, and
- Higher rates for work performed elsewhere, such as the Winnipeg Floodway project.

The Manitoba Heavy Construction Association recommended rental rates are between $180/hr to $210/hour for various types of D-8 Dozers and Crawler tractors with scrapers. The low bid is $173 per hour.

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: April 12, 2007

Project Name: HOURLY RATES FOR HIRED EQUIPMENT SERVICES FOR THE BRADY ROAD LANDFILL FOR THE PERIOD JULY 1, 2007 TO JUNE 30, 2012 BID OPPORTUNITY NO. 185-2007

First Year of Program 2007

	2007	2008	2009	2010	2011
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	$ 801,855	$ 1,683,896	$ 1,852,286	$ 2,037,514	$ 2,241,261
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 801,855	$ 1,683,896	$ 1,852,286	$ 2,037,514	$ 2,241,261
Less: Existing Budget Amounts	801,855	1,683,896	1,852,286	2,037,514	2,241,261
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: This is a five year contract with funds included every year in the annual Current Budget for the supply of equipment services for the Brady Road Landfill, identified as Special Services - Non-Professional, Account Number 445 521020 201904.

"Original signed by M. L. Geer, C.A."

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

je
11-Apr-07

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Legal Services
Materials Management

External Consultation With: N/A

THIS REPORT SUBMITTED BY:

Water and Waste Department
Solid Waste Services Division
Prepared by:John Elias C.E.T.
Processed by: Tamara Siemens/Joanie Smalley
Fax. No. 986-3745
File No. G/94

Attachment

c: Manager of Legal Services/City Solicitor, Corporate Services Department
Manager of Materials, Corporate Finance Department
S. Tomasi, Finance and Administration, Water and Waste Department
J. Smalley, C.E.T., Water and Waste Department

THE CITY OF WINNIPEG
WATER AND WASTE DEPARTMENT

BID TABULATION

FOR

HOURLY RATES FOR HIRED EQUIPMENT SERVICES FOR THE BRADY ROAD LANDFILL
FOR THE PERIOD JULY 1, 2007 TO JUNE 30, 2012

Bid Opportunity No. 185-2007 **File No. WW/G94**

Bidder	Total Bid Price	Completion Date	Deposit	Remarks
Hugh Munro Construction Ltd	$1,603,710.00/year	July 30, 2012	Bid Bond	
Taillieu Construction Ltd	$1,699,990.00/year	July 30, 2012	Bid Bond	
Edie Construction Ltd	$1,865,850.00/year	July 30, 2012	Bid Bond	
H. Baudry Construction (1980) Ltd	$2,602,930.00/year	July 30, 2012	Bid Bond	

Pre-bid Estimate	$1,400,000.00/year
Recommended Amount	$1,603,000.00/year