Agenda - Executive Policy Committee – December 9, 2009

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – December 1, 2009

Item No. 3 Award of Contract for Supply and Delivery of Automated Garbage Carts
eFile GL-9

STANDING COMMITTEE RECOMMENDATION:

The Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That a contract for Bid Opportunity No. 756-2009 be awarded to IPL Inc., the lowest evaluated responsive bidder meeting the specifications in the amount of $1,756,181.60 plus GST and MRST for items 1, 2 and 3 being the outright purchase of automated garbage carts to be funded from internal financing until such time as sufficient WRARS levy has been received.

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

Agenda - Executive Policy Committee – December 9, 2009

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – December 1, 2009

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On December 1, 2009, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

ISSUE: AWARD OF CONTRACT FOR SUPPLY AND DELIVERY OF AUTOMATED GARBAGE CARTS
BID OPPORTUNITY NO. 756-2009

Critical Path: Standing Policy Committee on Infrastructure Renewal and Public Works, EPC, Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D.E. Drohomerski, C.E.T. Manager of Solid Waste	B.D. MacBride, P. Eng. Director of Water and Waste Department	M. Ruta	A. Robinson Deputy CAO

RECOMMENDATIONS

That a contract for Bid Opportunity No. 756-2009 be awarded to IPL Inc., the lowest evaluated responsive bidder meeting the specifications in the amount of $1,756,181.60 plus GST and MRST for items 1, 2 and 3 being the outright purchase of automated garbage carts to be funded from internal financing until such time as sufficient WRARS levy has been received.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding for this project is available from the WRARS Environmental Fund.

HISTORY

The award of a 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.

On October 7, 2009 Council concurred with a recommendation that the Winnipeg Public Service be directed “to issue a Bid Opportunity for the lease or purchase of 42,500 carts with an in service date of February 1, 2010. If leased, there are funds available in the Current Estimates for these payments. If the carts were purchased outright, a Capital Project would be required with funding from the WRARS Environmental Levy”. Funding is budgeted in the 2010 Current Estimates.

The work of this contract consists of the supply and delivery of automated garbage carts to homes and apartments in the City of Winnipeg, including the supply of two hand held barcode readers.

The prices bid are for the direct purchase of the carts or for a ten year lease to own after which the carts would become the property of the City. Clause B13 of the Bid Opportunity stated that the award of contract would be made as a direct purchase of the carts or a lease to own and that the bidders may but are nor required to bid on all items. It is recommended that the award be made for the direct purchase of the carts which, because it is the lowest cost, is the alternative in the best interest of the City.

The Bid Opportunity closed on November 5, 2009, with bids being received as follows:

	Purchase	10 Year Lease	NPV 10 Year Lease*
IPL Inc.	$1,756,181.60	$2,386,266.60	$1,873,380.56
Rehrig Pacific Company	$1,826,303.00	$2,840,185.20	$2,229,139.16
Schaefer System International, Limited	$1,979,697.60	$2,517,017.70	$1,976,063.16
Toter Incorporated	$2,008,067.20	$2,593,148.00**	$2,035,688.31
		$2,539,748.20	$1,993,810.35
Otto Environmental Systems (NC), LLC	$2,031,721.00	$2,307,430.00***	$2,037,050.77
		$2,577,282.40	$2,196,481.51
		$2,392,205.00	$2,010,902.60
SCS Steel Container Systems Inc.	$2,040,044.20	$2,659,244.40	$2,087,626.60

Pre-bid Estimate $2,150,000.00

*Clause B13.4.1 of the bid documents states that the unit prices for the lease options will be evaluated considering the Net Present Value of the lease payments using a 5% City of Winnipeg borrowing rate as the discount rate.

**The Bidder submitted two options for lease to own.

***The Bidder submitted three options for lease to own for five and seven year terms instead of the ten year term specified. The costs and NPV noted above are for the terms bid, and not for the 10 year term

By tendering the carts separately, as compared to awarding a combined contract for collection service and cart supply, the City will save approximately $1 million based on the prices received.

Solid Waste 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 works of a similar nature.

The requirements for Bid and Performance Securities, and the execution of a formal contract were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Directive FM-002.

The bid recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until January 4, 2010.

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: November 14, 2009

Project Name:

First Year of Program **2010**

AWARD OF CONTRACT FOR SUPPLY AND DELIVERY OF AUTOMATED GARBAGE CARTS
BID OPPORTUNITY NO. 756-2009

	2010	2011	2012	2013	2014
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	$ 1,879,115	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	1,879,115	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: In a report approved by Council on October 7, 2009 it was indicated that funding for the purchase would be from the WRARS Enviromental Levy.The revenue budget for this project is 445-431260-200001 to be transferred to 001-431260-201962. Adjustment is required to a new expense budget 001-543010-201962. There is no net impact in fund 001.

"Original signed by L. Szkwarek, C.G.A."

Lucy Szkwarek, C.G.A.
Acting Manager of Finance & Administration

je
9-Nov-09

CONSULTATION

In preparing this Report there was consultation with:

Legal Services Division
Corporate Finance, Materials Management Division

SUBMITTED BY

Water and Waste Department
Solid Waste Services Division
Prepared by: Darryl Drohomerski, C.E.T., Brent Kellett, C.E.T.
Date: November 23, 2009
File No. 011-15-09-04-00

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