Agenda - Executive Policy Committee – April 18, 2012

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – April 12, 2012

Item No. 1 Award of Contract - Hourly and Volume Rates for Hired Equipment Services for the Brady Road Resource Management Facility

STANDING COMMITTEE RECOMMENDATION:

On April 12, 2012, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That a multi-year contract for Bid Opportunity No. 1006-2011 be awarded to Hugh Munro Construction Ltd., the lowest responsive bidder meeting the specifications in the amount of $1,921,500.00/year plus GST and MRST as applicable and an annual CPI increase for the period of July 1, 2012 to June 30, 2017.

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 – April 12, 2012

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On April 12, 2012, 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

Title: **AWARD OF CONTRACT FOR HOURLY AND VOLUME RATES FOR HIRED EQUIPMENT SERVICES FOR THE BRADY ROAD RESOURCE MANAGEMENT FACILITY BID OPPORTUNITY NO. 1006-2011**

Critical Path: **The Standing Policy Committee on Infrastructure Renewal and Public Works – Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
D. E. Drohomerski, C.E.T Manager of Solid Waste Services	D. P. Sacher, P. Eng. Director, Water and Waste Department	M Ruta	M Ruta o/b CAO

RECOMMENDATIONS

That a multi-year contract for Bid Opportunity No. 1006-2011 be awarded to Hugh Munro Construction Ltd., the lowest responsive bidder meeting the specifications in the amount of $1,921,500.00/year plus GST and MRST as applicable and an annual CPI increase for the period of July 1, 2012 to June 30, 2017.

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.

IMPLICATIONS OF THE RECOMMENDATIONS

This recommendation involves a multi-year contract. The duration of this contract is for the period of July 1, 2012 to June 30, 2017 for equipment services on an “as required” basis”.

Annual funding for this project is available from the approved Current Budget Non-Professional Services Account Distribution number 445 521020 201904 999.

HISTORY

The work of this contract consists of equipment services for the Brady Road Resource Recovery Facility (Brady Road Landfill). The work includes moving earth, materials and municipal solid waste within the landfill on an "as required basis" for the period of July 1, 2012 to June 30, 2017 with the option of two mutually agreed upon one year extensions.

The services covered under this contract provide assistance to the City's equipment and assist in the proper operation of the landfill, thereby ensuring conformance to our current Operating Permit and future Licence. Specifically, the contract will provide equipment to push municipal solid waste as well as provide clay excavation and transport to assist in constructing the landfill.

The Bid Opportunity closed on January 13, 2012, with bids being received as follows:

Hugh Munro Construction Ltd.	$1,921,500.00
Winnipeg Environmental Remediations Ltd.	$2,029,000.00
H. Baudry Construction (1980) Ltd.	$2,040,806.00
Tri-Core Projects Manitoba Ltd.	$2,042,500.00
Edie Construction Ltd.	$2,295,082.00
6420797 Manitoba Ltd.	$2,391,020.00
Artel Farms Ltd.	$2,470,600.00
Diamond Ready Mix Concrete Ltd.	$2,528,500.00
Rocky Rd Recycling Ltd.	$2,649,000.00
Taillieu Construction Ltd.	$2,938,000.00

Pre-bid Estimate $2,600,000.00 annual, $13,000,000.00 total

The low bid is approximately 26% lower than the pre-bid estimate. The bidder who submitted the low bid was awarded the current contract (Bid Opportunity 185-2007) for equipment services which ends on June 30, 2012 at Brady Landfill.

As per clause D18 of the bid opportunity document, there will be an annual review for inflationary adjustment.

As per clause D18.1 of the bid opportunity document, the unit prices specified on Form B: Prices will be adjusted on July 1, 2013 and annually on July 1st of subsequent years based on the percentage increase or decrease in the unit prices for the Contract year, based on 50% of percentage change in Index "A", plus 20% change in Index "B", plus 15% change in Index "C". Nonetheless; the maximum annual adjustment shall not exceed 10%.

As per clause D18.2 Indices "A", "B", and "C" are as follows:

(a) Index "A" - All-items Consumer Price Index for the City of Winnipeg (Statistics Canada

Reference Table 326-0020)

(b) Index "B" – Diesel Fuel Consumer Price Index for the City of Winnipeg (Statistics Canada

Reference Table 326-0009)

(c) Index “C” - Average hourly earnings – employees paid by the hour in Truck Transportation

for the Province of Manitoba (Statistics Canada Reference Table 281-0029)

As per clause D18.3 of the bid opportunity document, Indices “A”, “B”, and “C” will be those prepared by Statistics Canada. As some of the indices are not available from Statistics Canada until sometime after the adjustment date, the amount of adjustment will be retroactive to the adjustment date.

The total cost of the contract from July 1, 2012 to June 30, 2017 based on an annual maximum increase of 10% is $11,730,949.00.

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 works of a similar nature.

The recommended Contractor has a (COR) Certificate of Recognition provided by the Construction Safety Association of Manitoba, Certification No. MH041126H

The requirements for Bid Securities were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Standard FM-002.

The bid recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until May 12th, 2012.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 6, 2012

Project Name:

AWARD OF CONTRACT FOR HOURLY AND VOLUME RATES FOR HIRED EQUIPMENT SERVICES FOR THE BRADY ROAD RESOURCE MANAGEMENT FACILITY
BID OPPORTUNITY NO. 1006-2011

First Year of Program **2012**

	2012	2013	2014	2015	2016
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	$ 960,750	$ 2,017,575	$ 2,219,333	$ 2,441,266	$ 2,685,392
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 960,750	$ 2,017,575	$ 2,219,333	$ 2,441,266	$ 2,685,392
Less: Existing Budget Amounts	960,750	2,017,575	2,219,333	2,441,266	2,685,392
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 SpecialServices - Non-Professional, Account No. 445 521020 201904 999.

"Original signed by M. L. Geer, C.A."
Moira Geer, CA
Manager of Finance and Administration

js
6-Mar-12

CONSULTATION

In preparing this report there was consultation with:

Materials Management Division and Legal Services Department - as to legal issues

SUBMITTED BY

Water and Waste Department
Solid Waste Services Division
Prepared by: Jeff Hawley B. Sc., A. Sc. T,
Date: March 22, 2012
File No. 011-15-06-04-04

c: Director of Legal Services/City Solicitor, Legal Services Department (email)
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