Agenda - Council – July 18, 2012

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – July 3, 2012

Item No. 3 Award of Contract - Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments

STANDING COMMITTEE RECOMMENDATION:

On July 11, 2012, 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. 1031-2011 be awarded to BFI Canada Inc., the lowest responsive bidder meeting the specifications in the estimated amount of $258,687.80 per year, GST and MRST extra as applicable, for the period from award of contract to January 31, 2018.

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 – July 3, 2012

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 11, 2012, 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 July 3, 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 FRONT LOAD COLLECTION OF RECYCLING FROM MULTI-FAMILY DWELLINGS AND OTHER ESTABLISHMENTS**
BID OPPORTUNITY NO. 1031-2011

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

AUTHORIZATION

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

RECOMMENDATIONS

That a multi-year contract for Bid Opportunity No. 1031-2011 be awarded to BFI Canada Inc., the lowest responsive bidder meeting the specifications in the estimated amount of $258,687.80/year, GST and MRST extra as applicable, for the period from award of contract to January 31, 2018.

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract is for a purchase that obligates the City to expenditures on future budgets, Council must approve the award of contract pursuant to B 8.2.3 of the Materials Management Policy.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding for this project is available from the approved Current Budget for Multi-Family Dwelling - Bins– Account Distribution No. 445-521027-201907-999

HISTORY

The work of this contract consists of the mechanical collection of recyclable materials from front end containers for the period from award of contract until January 31, 2018 with the option of two (2) mutually agreed upon one (1) year extensions. This contract will replace the current front end recycling collection contract (68-2006) which expires October 31st 2012.

Although the contract to be awarded pursuant to Bid Opportunity No.1031-2011 will commence on the date of award, the actual collection of recycling from multi-family dwellings and other establishments and payments, will not commence until November 1, 2012 which is after the expiry of the existing contract. Making the contract awarded pursuant to Bid Opportunity No.1031-2011 effective the date of award, facilitates the Contractor being able to purchase equipment necessary to commence the Work on November 1, 2012.

The Bid Opportunity closed on May 28th, 2012, with bids being received as follows:

BFI Canada Inc.	$258,687.80/year
Miller Waste Systems Inc	$317,802.38/year*
Waste Management of Canada Corp.	$327,484.22/year*
Halton Recycling Ltd. dba Emterra Environmental	$406,220.07/year

*Corrected due to mathematical error

Pre-bid Estimate $295,872

As per clause D20 of the bid opportunity document, there will be an annual review for inflationary adjustment.

As per clause D20.1 of the bid opportunity document, the unit prices specified on Form B: Prices will be adjusted on February 1, 2014 and annually on February 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 D20.2 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" – Gasoline Consumer Price Index for the Province of Manitoba (Statistics Canada

Reference Table 326-0020)

(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 D20.3 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 potential total cost of the contract from the date of award to January 31, 2018 based on an annual maximum increase of 10% as noted in clause D20 of the bid opportunity document is $1,643,986.84.

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 recommended Contractor has a workplace safety and health program meeting the requirements of The Workplace Safety and Health Act (Manitoba), as confirmed in a letter dated August 2009 from an independent reviewer acceptable to the City (ie: OHG Consulting Inc.).

The requirements for Bid Security 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 September 25th, 2012

FINANCIAL IMPACT

Financial Impact Statement

Date: June 13, 2012

Project Name: **First Year of Program** **2012**

AWARD OF CONTRACT FOR FRONT LOAD COLLECTION OF RECYCLING FROM MULTI-FAMILY DWELLINGS AND OTHER ESTABLISHMENTS, BID OPPORTUNITY NO. 1031-2011

	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	$ 43,115	$ 258,688	$ 282,401	$ 310,641	$ 341,705
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 43,115	$ 258,688	$ 282,401	$ 310,641	$ 341,705
Less: Existing Budget Amounts	43,115	258,688	282,401	310,641	341,705
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: This contract is a 63 month contract (5 yrs, 3 months) with funds included every year in the annual Current Budget for the collection of recycling from multi-family dwellings and other establishments.

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

js
13-Jun-13

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department, (as to legal issues)

SUBMITTED BY

Water and Waste Department
Solid Waste Services Division
Prepared by: Kyle Wingate, C.E.T.
Date: June 19, 2012
File No. G-123

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