Agenda – Council – September 24, 2014

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 9, 2014

Item No. 6 Award of Contract for Mechanical Collection of Solid Waste from Multi-Family Buildings and Small Commercial Establishments in the South West Area

STANDING COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the following to Council:

1. That a contract for Bid Opportunity No. 110-2014 be awarded to BFI Canada Inc., the lowest responsive bidder meeting the specifications in the corrected amount of $897,280.52 per year, GST and MRST, extra as applicable, with an annual growth and CPI adjustment, for the period from February 1, 2015 to January 31, 2022.

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 – September 9, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 17, 2014, 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 September 9, 2014, 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 MECHANICAL COLLECTION OF SOLID WASTE FROM MULTI-FAMILY BUILDINGS AND SMALL COMMERCIAL ESTABLISHMENTS IN THE SOUTH WEST AREA BID OPPORTUNITY NO. 110-2014**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Drohomerski, C.E.T. Manager of Solid Waste Services	G. K. Patton, P. Eng. Acting Director of Water and Waste Department	G. Chartier A/CFO	M. Jack A/CAO

RECOMMENDATIONS

That a contract for Bid Opportunity No. 110-2014 be awarded to BFI Canada Inc., the lowest responsive bidder meeting the specifications in the corrected amount of $897,280.52 per year, GST and MRST, extra as applicable, with an annual growth and CPI adjustment, for the period from February 1, 2015 to January 31, 2022.

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 February 1, 2015 to January 31, 2022.

Funding for this project is available in the Annual Current Estimates – Multi-Family Refuse Collection South West Area – Account Distribution number 001-521080-201962-999.

HISTORY

The work of this contract consists of mechanical collection of solid waste from multi-family buildings and small commercial establishments in the South West area of the City of Winnipeg for the period from February 1, 2015 to January 31, 2022.

The Bid Opportunity closed on May 16, 2014, with bids being received as follows:

BFI Canada Inc	$ 897,280.52/yr*
Halton Recycling Ltd. dba Emterra Environmental	$ 1,458,710.50/yr

*Corrected due to mathematical error

Pre-bid Estimate $900,000.00/yr

As per Clause D19 of the bid opportunity document, there will be an annual review for inflationary adjustment.

As per D19.1 of the bid opportunity document, the unit prices specified on the Form B: Prices will be adjusted on the first Contract, anniversary date, and subsequent anniversary dates 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 the Index "C". The monthly price used will be February of the previous year compared with January of the current year.

As per D19.2 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 (private transportation) Consumer Price Index for the Province of Manitoba (Statics Canada Reference Table 326-0020).
    i) Index "B" will be replaced by the Henry Hub Index if Compressed Natural Gas is used.
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 D19.2 of the bid opportunity document, Indices "A", "B", and "C" will be those prepared by Statistics Canada. Index "D19.1.2.b" will be prepared by Henry Hub. As some of the indices are not available from Statistics Canada or Henry Hub 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, 2022 based on an annual maximum increase of 10% as noted in clause D19 and growth of 2% as per the previous contract the bid opportunity is $9,052,677.00.

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 workplace safety and health program meeting the requirements of The Workplace Safety and Health Act (Manitoba), as confirmed in a letter dated March 21, 2014, from an independent reviewer acceptable to the City (i.e.: OHG Consulting Inc.).
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 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 October 24, 2014.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 17, 2014

Project Name:

AWARD OF CONTRACT FOR MECHANICAL COLLECTION OF SOLID WASTE FROM MULTI-FAMILY BUILDINGS AND SMALL COMMERCIAL ESTABLISHMENTS IN THE SOUTH WEST AREA BID OPPORTUNITY NO. 110-2014

First Year of Program **2015**

	2015	2016	2017	2018	2019
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	$ 897,281	$ 1,004,954	$ 1,125,549	$ 1,260,615	$ 1,411,888
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 897,281	$ 1,004,954	$ 1,125,549	$ 1,260,615	$ 1,411,888
Less: Existing Budget Amounts	897,281	1,004,954	1,125,549	1,260,615	1,411,888
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funding for this project is available in the Annual Current Estimates – Multi-Family Refuse Collection South West Area – Account Distribution number 001-521080-201962-999. Future years calculated using an estimated growth of 2% per year and using the maximun CPI allowed of 10% increase per year as per Clause D19.4 of the Bid Opportunity Document.

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

Moira L. Geer, C. A.
Manager of Finance and Administration

amc
4-Jun-14

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department (as to the legal issues)
Corporate Finance Department

SUBMITTED BY

Water and Waste Department
Solid Waste Services Division
Prepared by: Duy Doan, C.E.T.
Date: June 20, 2014
File No. G-156