Agenda – Executive Policy Committee – September 23, 2015

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 21, 2015

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Item No. 1 Award of Contract for Mechanical Collection of Solid Wastes from Multi-Family Buildings and Small Commercial Establishments in the North West Area of the City of Winnipeg

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2015, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That a contract for Bid Opportunity No. 26-2015 be awarded to Miller Waste Systems Inc., the lowest responsive, responsible and qualified bidder in the estimated annual amount of $1,225,849.84, GST and MRST extra as applicable, with an annual growth and CPI adjustment, for the period from February 1, 2016 to January 31, 2023. The total estimated value of the Contract over the 7 year term is $12,367,613.41.

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 21, 2015

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2015, 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 WASTES FROM MULTI-FAMILY BUILDINGS AND SMALL COMMERCIAL ESTABLISHMENTS IN THE NORTH WEST AREA OF THE CITY OF WINNIPEG**
BID OPPORTUNITY NO. 26-2015

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

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Park, C.E.T. Acting Manager of Solid Waste Services	C. W. Carroll, P. Eng. Acting Director, Water and Waste Department	M. Ruta	M. Jack

RECOMMENDATIONS

That a contract for Bid Opportunity No. 26-2015 be awarded to Miller Waste Systems Inc., the lowest responsive, responsible and qualified bidder in the estimated annual amount of $1,225,849.84, GST and MRST extra as applicable, with an annual growth and CPI adjustment, for the period from February 1, 2016 to January 31, 2023. The total estimated value of the Contract over the 7 year term is $12,367,613.41.

REASON FOR THE REPORT

The award of a multi-year contract greater than $5M for which there are not yet funds approved by Council 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.

EXECUTIVE SUMMARY

This report is for the award of a contract to Miller Waste Systems Inc. for the Mechanical Collection of Solid Wastes from Multi-Family Buildings and Small Commercial Establishments in the North West Area of the City of Winnipeg. The procurement is through the Bid Opportunity public bid solicitation process. This is a multiyear contract for a period of seven (7) years for mechanical solid wastes collection under which the City requests collection services on an “as-required” basis. The Unit Prices for Years 2, 3, 4, 5, 6, and 7 will be increased or decreased by the percentage increase or decrease in the weighted average of Statistics Canada All-items Consumer Price Index for the City of Winnipeg, Diesel Fuel Price Index for Manitoba (DFI) or

Henry Hub Natural Gas Futures price quoted on the NYMEX if Compressed Natural Gas is used, and Statistics Canada Average Hourly Earnings for employees paid by the hour in Truck Transportation for the Province of Manitoba.

IMPLICATIONS OF THE RECOMMENDATIONS

This recommendation is for a multi-year contract. The duration of this contract is for the period of February 1, 2016 to January 31, 2023.

Funding for this project is available in the Annual Current Estimates – Multi-Family Refuse Collection North West – Account Distribution number 001-521082-201962-999.

HISTORY

The work of this contract consists of mechanical collection of solid wastes from multi-family buildings and small commercial establishment in the North West area of the City of Winnipeg for the period from February 1, 2016 to January 31, 2023.

The Bid Opportunity closed on May 29, 2015, with bids being received as follows:

Miller Waste Systems Inc.	$1,225,849.84
Progressive Waste Solutions Inc.	$1,490,598.16*
Halton Recycling Ltd.dba Emterra Environmental	$1,617,352.91
Waste Management of Canada Corporation	$1,679,792.92*
GFL Environmental Inc.	$1,819,149.91

Pre-bid Estimate (annual) $1,480,000.00

*Corrected due to mathematical error

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

As per Clause D19.1 of the bid opportunity document, 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 the unit prices for the Contract year, based on 50% of percentage change in Index “A”, plus 30% change in Index “B”, plus 20% change in Index “C”. The monthly period used will be February of the previous year compared with January of the current year.

As per Clause 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”: - Monthly Diesel Fuel Price Index Manitoba Infrastructure and Transportation Based on the OPIS Fuel Index.

   (i) Index “B” will be replaced by the Henry Hub Natural Gas Futures price quoted on the NYMEX 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, indexes “A” and “C” will be those prepared by Statistics Canada. Index “B” ”b)” will be prepared by Manitoba Infrastructure and Transportation and “(i)” will be prepared by Henry Hub. As some of the indexes are not available from Statistics Canada, Manitoba Infrastructure and Transportation, and 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, 2023 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 estimated at $12,367,613.41.

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 Bidder has submitted a letter from an independent reviewer acceptable to the City confirming that Miller Waste Systems Inc. has a workplace safety and health program meeting the requirements of The Workplace Safety and Health Act (Manitoba).

The Manager of Materials has waived the requirements for Bid Security and the execution of a formal contract 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 responsive, responsible and qualified bid meeting all requirements of the specifications. This offer is open for acceptance until October 26, 2015. An early award of Contract would facilitate ordering of new equipment by the Contractor.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 19, 2015

Project Name:

First Year of Program **2016**

AWARD OF CONTRACT FOR MECHANICAL COLLECTION OF SOLID WASTES FROM MULTI-FAMILY BUILDINGS AND SMALL COMMERCIAL ESTABLISHMENTS IN THE NORTH WEST AREA OF THE CITY OF WINNIPEG, BID OPPORTUNITY NO. 26-2015

	2016	2017	2018	2019	2020
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	$ 1,123,696	$ 1,360,693	$ 1,523,977	$ 1,706,854	$ 1,911,676
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1,123,696	$ 1,360,693	$ 1,523,977	$ 1,706,854	$ 1,911,676
Less: Existing Budget Amounts	1,123,696	1,360,693	1,523,977	1,706,854	1,911,676
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funding for this service is available in the Annual Current Estimates – Multi-Family Refuse Collection North West – Account Distribution number 001-521082-201962-999. 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 of the Bid Opportunity Document.

"Original signed by N. Neumann, for"
Moira L. Geer, C. A.
Manager of Finance and Administration

js
10-Jun-15

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department (as to legal issues)
Materials Management Division, Corporate Finance Department

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through ensuring that solid waste services are delivered in a manner that is consistent with Provincial regulations.

This award is for the year round collection and disposal of Solid Wastes from Multi-family and Small Commercial establishments via mechanical methods from locations throughout the North West area of the City of Winnipeg to Brady Road Resource Management Facility. This is a multi-year contract for a period of seven (7) years for collection and disposal services that obligates the City to order hauling service on an “as required” basis.

OurWinnipeg Reference: Solid Waste Management

SUBMITTED BY

Water and Waste Department
Solid Waste Services Division
Prepared by: D. Doan, C.E.T.
Date: June 29, 2015
File No. G-189

c: Director of Legal Services/City Solicitor, Legal Services Department (email**)**
Manager of Materials, Corporate Finance Department (email)
WWD-Report-Processor (email)
L. Toews, Water and Waste Department (email)