Minutes – Executive Policy Committee – December 5, 2018

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 22, 2018

Item No. 7 Award of Contract for Hourly and Volume Rates for Hired Equipment Services for the Brady Road Resource Management Facility

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the following to Council:

1. That the City award, enter into, execute and deliver a contract for the Hourly and Volume Rates for Hired Equipment Services for the Brady Road Resource Management Facility (as per Bid Opportunity 595-2018) at an estimated annual cost of $2,642,950.00 (annual adjustments apply), GST and MRST extra as applicable, for the period from the award of contract to June 30, 2024, with Earth Max Construction Inc. and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contract for the Hourly and Volume Rates for Hired Equipment Services for the Brady Road Resource Management Facility (as per Bid Opportunity 595-2018) at an estimated annual cost of $ 2,642,950.00 (annual adjustments apply), GST and MRST extra as applicable, for the period from the award of contract to June 30, 2024, and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That the Proper Officers of the City of Winnipeg do all things necessary to implement the foregoing.

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – November 22, 2018

DECISION MAKING HISTORY:

Moved by Councillor Gilroy,

That the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 22, 2018, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment 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. 595-2018

Critical Path: The Standing Policy Committee on Water and Waste, Riverbank Management and the Environment - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
Randy Park, C.E.T. Acting Manager of Solid Waste Services	G. K. Patton, P. Eng., Acting Director, Water and Waste Department	M. Ruta	D. Wardrop, Acting CAO

EXECUTIVE SUMMARY

This report is for the award of a contract to Earth Max Construction Inc. for the rental (hourly and volume rates) of heavy equipment to supplement operations at the Brady Road Resource Management Facility (BRRMF) on an “as-required” basis.

The duration of this contract is for five (5) years, the term of the contract shall commence on notice of award and shall continue until June 30, 2024, with the option of two (2) mutually agreed upon one (1) year extensions.

The procurement is through the Bid Opportunity process. This contract is to be financed from each year’s approved annual Current Budgets for Non-Professional Services and Leaf / Yard Waste Composting. The recommendations of this report are compliant with the Materials Management Policy and applicable trade agreements.

RECOMMENDATIONS

1. That the City award, enter into, execute and deliver a contract for the Hourly and Volume Rates for Hired Equipment Services for the Brady Road Resource Management Facility (as per Bid Opportunity 595-2018) at an estimated annual cost of $2,642,950.00 (annual adjustments apply), GST and MRST extra as applicable, for the period from the award of contract to June 30, 2024, with Earth Max Construction Inc. and such other agreements as determined necessary by the

Director of Legal Services and City Solicitor to implement the intent of the foregoing (the “Ancillary Agreements”).

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contract for the Hourly and Volume Rates for Hired Equipment Services for the Brady Road Resource Management Facility (as per Bid Opportunity 595-2018) at an estimated annual cost of $ 2,642,950.00 (annual adjustments apply), GST and MRST extra as applicable, for the period from the award of contract to June 30, 2024, and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That the Proper Officers of the City of Winnipeg do all things necessary to implement the foregoing.

REASON FOR THE REPORT

The award of a multi-year contract greater than $5,000,000.00 for funds not yet approved by Council must be authorized by Council in accordance with Section B8.2.2 of the City of Winnipeg Materials Management Policy. Section B8.2.2 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

The hired equipment services are required to supplement City forces on an “as-required” basis in maintaining and operating the BRRMF in compliance with Environment Act License No. 3081R.

Funding for this contract will be made available from the approved Current Budgets – Non -Professional Services – Account Distribution number 445 521020 201904 999 and Leaf / Yard Waste Composting – Account Distribution number 445 521097 201906 999.

HISTORY / DISCUSSION

The work of this contract consists of moving earth, materials, and municipal solid waste within the landfill on an “as required” basis, to supplement and complement the required operational activities at the BRRMF that are led by City forces, thereby enabling compliance with Environment Act License No. 3081R.

Operations at BRRMF have historically been supplemented with hired equipment services. The previous contract was for five (5) years with the option of two (2) mutually agreed upon one (1) year extensions. This current contract has been extended to its

maximum; the original contract from 2012 to 2016 with one (1) year extensions in 2017 and 2018. The current contract will expire on July 1, 2019. Below is a summary of the historic annual contract expenses (GST and MRST extra); 2018 expenses are not included as we are in the middle of this final contract extension period.

Year	Total Expense (GST and MRST extra)
2012	$1,451,389.00
2013	$2,236,301.17
2014	$2,117,781.80
2015	$2,449,637.28
2016	$2,076,512.66
2017	$2,909,707.22

The Bid Opportunity closed on September 19, 2018, with bids being received as follows:

Wintec Building Services Inc.	$3,197,900.00
Taillieu Construction Ltd.	$2,925,500.00
Hugh Munro Construction Ltd.	$2,917,975.00
H Baudry Construction 1980 Ltd.	$2,994,575.00
L. Chabot Enterprises Ltd.	$5,486,676.00
Earth Max Construction Inc.	$2,642,950.00

Pre-bid Estimate $3,107,000.00

The Form B: Prices include Item No. 8 (Facilities). 80 percent of costs relating to this item shall be paid upon the Contractor's occupation (Year 1) while the remaining 20 percent of costs shall be paid upon final demobilization (Year 5).

Contract Year (2019 – 2024)	Total Cost (including maximum inflationary adjustment of 5%)
1	$2,656,348.00
2	$2,390,165.00
3	$2,509,674.00
4	$2,635,157.00
5	$2,861,915.00

The Solid Waste Services Division is 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 Certificate of Recognition (COR) provided by the Manitoba Heavy Construction Association's Worksafely Program, Certification No. MH081119E.

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 from an independent reviewer acceptable to the City.

The requirements for Bid 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 February 1, 2019.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 23, 2018

Project Name:

First Year of Program **2019**

AWARD OF CONTRACT FOR HOURLY AND VOLUME RATES FOR HIRED EQUIPMENT SERVICES FOR THE BRADY ROAD RESOURCE MANAGEMENT FACILITY
BID OPPORTUNITY NO. 595-2018

	2019	2020	2021	2022	2023
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	$ 1,518,174	$ 2,333,256	$ 2,449,919	$ 2,572,415	$ 2,701,036
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1,518,174	$ 2,333,256	$ 2,449,919	$ 2,572,415	$ 2,701,036
Less: Existing Budget Amounts	1,518,174	2,333,256	2,449,919	2,572,415	2,701,036
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Contract costs have been built into the Department's future operating budgets. The contract is subject to an annual inflation adjustment as per Bid Op No. 595-2018 (not to exceed a 5% increase). The maximum contract amount, excluding extensions, for the period of award to June 30, 2024 is estimated at $13,054,000.00 assuming 5% annual inflation. Funds are budgeted in the operating accounts Non-Professional Services – Account Distribution No. 445 521020 201904 999 in the amount of $11,425,000.00 and Leaf/Yard Waste Composting – Account Distribution No. 445 521097 201906 999 in the amount of $1,629,000.00.

"Original signed by L. Szkwarek, CPA, CGA"
Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

mb/bah
23-Oct-18

CONSULTATION

In preparing this report there was consultation with:

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

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg Reference: Environment

SUBMITTED BY

Department: Water and Waste
Division: Solid Waste Services
Prepared by: Ash Raichura, P. Eng.
Date: October 24, 2018
File No.: G-255

ATTACHMENTS:

595-2018 Simplified Evaluation Matrix