Minute No. 119
Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – January 17, 2019

Item No. 1 Award of Contract for Provision of Collecting Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste)

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and adopted the following:

1. That the bid submitted by Pantel Enterprises Ltd., be determined to be not qualified, in accordance with section B8.1(f) and B8.2.2 of Materials Management Policy FI-003, approved by Council.

2. That the bid submitted by Waste Connections of Canada Inc., be determined to be the low qualified bid, in accordance with section B8.2.2 of Materials Management Policy FI-003, approved by Council.

3. That the City award, enter into, execute and deliver a Contract for the Provision of Collecting Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste), for the period of October 1, 2019 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, with Waste Connections of Canada Inc. in the estimated amount of $4,144,060.00 (annual inflation adjustment of 5% applied) based on an annual cost of $696,356.80, GST and MRST extra as applicable, 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"**).

4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of Contract for the Provision of Collecting Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste), for the period of October 1, 2019 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, with Waste Connections of Canada Inc. 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.

5. 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 – January 17, 2019

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 adopted.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 22, 2019, Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On January 17, 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 PROVISION OF COLLECTING LARGE ITEMS (BULKY WASTE) AND ABANDONED LARGE ITEMS (BULKY WASTE) BID OPPORTUNITY NO. 713-2018**

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	M. L. Geer, CPA, CA, Director, Water and Waste Department	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

This report is for the award of a Contract to Waste Connections of Canada Inc. for the Provision of Collecting Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) including Recycling Depot Collection and the performance of Extra Work, plus the Delivery of these materials to their respective designated facilities, for the period of October 1, 2019 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, on an "as directed" basis.

The procurement is through the Bid Opportunity process. This Contract is to be financed from each year's approved annual Current Budgets for Bulky Waste Collection. The recommendations of this report are compliant with the Materials Management Policy and applicable trade agreements.

The contract award value is 30.3% below the pre-bid estimate.

RECOMMENDATIONS

1. That the bid submitted by Pantel Enterprises Ltd., be determined to be not qualified, in accordance with section B8.1(f) and B8.2.2 of Materials Management Policy FI-003, approved by Council.

2. That the bid submitted by Waste Connections of Canada Inc., be determined to be the low qualified bid, in accordance with section B8.2.2 of Materials Management Policy FI-003, approved by Council.

3. That the City award, enter into, execute and deliver a Contract for the Provision of Collecting Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste), for the period of October 1, 2019 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, with Waste Connections of Canada Inc. in the estimated amount of $4,144,060.00 (annual inflation adjustment of 5% applied) based on an annual cost of $696,356.80, GST and MRST extra as applicable, and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the **"Ancillary Agreements"**).

4. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of Contract for the Provision of Collecting Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste), for the period of October 1, 2019 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, with Waste Connections of Canada Inc. and the Ancillary Agreements**,** in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

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

REASON FOR THE REPORT

As the term of the Contract exceeds 5 years, and the Contract obligates the City to future budgets, Council approval is required.

IMPLICATIONS OF THE RECOMMENDATIONS

The duration of this Contract is for the period of October 1, 2019 to January 31, 2025, for the Provision of Collecting Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) on an "as directed" basis.

Funding for this Contract will be made available from each year's approved annual Current Budgets – Bulky Waste Collection – Account Distribution No. 001 521092 201962 999.

HISTORY/DISCUSSION

On December 14, 2016, Council approved and directed the Winnipeg Public Service to undertake all things necessary to bring the collection of large items (bulky waste) into the Winnipeg Public Service with enough flexibility to allow environmental efforts from organizations for specific types of bulky waste. Council also directed the Winnipeg Public Service to report back to Council (through the appropriate Standing Policy Committee) with a plan that includes the results and costs from the analysis of the proposed collection program complete with a timeline of implementation.

On April 19, 2017, the Executive Policy Committee approved the single source negotiation for the collection of large items (bulky waste), Materials Management Reference No. 62-2017, for

the period of October 1, 2017 to September 30, 2018 with the option of one (1) mutually agreed upon extension.

On February 22, 2018, Council repealed its decision of December 14, 2016 directing that the Winnipeg Public Service undertake all things necessary to bring the collection of "bulky waste" into the Winnipeg Public Service, and directed the Winnipeg Public Service to work collaboratively with CUPE Local 500 on the development and implementation of a pilot project insourcing a portion of multi-family garbage collection.

As a result of Council's February 22, 2018 decision, there was insufficient time to award a new contract for the Collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) before the current contract expiry date of September 30, 2018. Therefore, to ensure the continuation of this service, an extension of services was requested.

On July 19, 2018, Council delegated authority to the Chief Administrative Officer to negotiate and approve the terms and conditions including future Ancillary Agreements plus award a contract extension for the Collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste), Materials Management Reference No. 62-2017.

On September 18, 2018, the Chief Administrative Officer approved the contract extension for the Collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste), Materials Management Reference No. 62-2017, for the period of October 1, 2018 to September 30, 2019.

The work of this Contract consists of the collection and delivery of Large Items (Bulky Waste), Abandoned Large Items (Bulky Waste), Recycling Depot Collection and the performance of Extra Work.

The Bid Opportunity closed on October 17, 2018, with bids being received as follows:

Pantel Enterprises Ltd.	$683,356.80
Waste Connections of Canada Inc.	$696,356.80
Halton Recycling Ltd. dba Emterra	$879,886.56*
Miller Waste Systems Inc.	$1,169,023.00

* Corrected due to mathematical error.

Pre-bid Estimate $1,000,000.00 (annually)

Solid Waste Services Staff of this Department are not 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 not carried out previous works of a similar scope. The Contract Administrator has met with both Pantel Enterprises Ltd. and Waste Connections of Canada Inc. to review the terms and conditions of Bid Opportunity No. 713-2018. After consultation with Pantel Enterprises Ltd. and Materials Management, the Contract Administrator recommends that the lowest bidder, Pantel Enterprises Ltd., be determined to be not qualified.

The recommended Contractor, Waste Connections of Canada Inc., has a workplace safety and health program meeting the requirements of The Workplace Safety and Health Act (Manitoba), 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 second lowest bid meeting all requirements of the specifications. This offer is open for acceptance until February 14, 2019.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 20, 2018

Project Name:

First Year of Program **2019**

AWARD OF CONTRACT FOR PROVISION OF COLLECTING LARGE ITEMS (BULKY WASTE) AND ABANDONED LARGE ITEMS (BULKY WASTE)
BID OPPORTUNITY NO. 713-2018

	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	$ 174,089	$ 705,061	$ 740,314	$ 777,330	$ 816,197
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 174,089	$ 705,061	$ 740,314	$ 777,330	$ 816,197
Less: Existing Budget Amounts	174,089	705,061	740,314	777,330	816,197
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 Opp. No. 713-2018 (not to exceed a 5% increase). The maximum contract amount, excluding extensions, for the period of October 1, 2019 to January 31, 2025 is estimated at $4,144,060.00 assuming 5% annual inflation. Funds are budgeted in the operating accounts Bulky Waste Collection – Account Distribution No. 001 521092 201962 999.

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

mb/bah
5-Nov-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: Sustainable Water and Waste Direction Strategy – 05 Solid Waste Management

SUBMITTED BY

Department: Water and Waste
Division: Solid Waste Services
Prepared by: Sam Brask, C.E.T.
Date: December 11, 2018
File No.: G-228