Agenda – Council – February 28, 2019

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – February 14, 2019

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

STANDING COMMITTEE RECOMMENDATION:

On February 19, 2019, 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 That the bid submitted by Miller Waste Systems Inc. be withdrawn at their request.

2. That the City award, enter into, execute and deliver a Contract for the Front Load Collection of Recycling from Multi-Family Dwellings and Other Establishments, for the period of February 1, 2020 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, with GFL Environmental Inc. in the estimated amount of $2,584,097.00 (annual inflation adjustment of up to 5% applied) based on an estimated corrected annual amount of $467,656.33, 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").

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of Contract for the Front Load Collection of Recycling from Multi-Family Dwellings and Other Establishments, for the period of February 1, 2020 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, with GFL Environmental 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.

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

Agenda – Council – February 28, 2019

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – February 14, 2019

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 19, 2019, 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 matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On February 14, 2019, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service, with the following amendment:

- Add “up to” in Recommendation 2 after “annual inflation adjustment of”,

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. 859-2018**

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 GFL Environmental Inc. for the Front Load Collection of Recycling from Multi-Family Dwellings and Other Establishments, plus the delivery of these materials to their designated facilities, for the period of February 1, 2020 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, on an "as scheduled" and "as required" basis.

The procurement is through the Bid Opportunity process. This Contract is to be financed from each year's approved annual Current Budgets for Solid Waste-Diversion/Recycling-Multi Family/Bins. The recommendations of this report are compliant with the Materials Management Policy and applicable trade agreements.

The contract award value is 33.2% below the pre-bid estimate.

RECOMMENDATIONS

1. That the bid submitted by Miller Waste Systems Inc. be withdrawn at their request.

2. That the City award, enter into, execute and deliver a Contract for the Front Load Collection of Recycling from Multi-Family Dwellings and Other Establishments, for the period of February 1, 2020 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, with GFL Environmental Inc. in the estimated amount of $2,584,097.00 (annual inflation adjustment of 5% applied) based on an estimated corrected annual amount of $467,656.33, 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"**).

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of Contract for the Front Load Collection of Recycling from Multi-Family Dwellings and Other Establishments, for the period of February 1, 2020 to January 31, 2025, with the option of two (2) mutually agreed upon one (1) year extensions, with GFL Environmental 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.

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

REASON FOR THE REPORT

As the term of the Contract exceeds five (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 February 1, 2020 to January 31, 2025, for the Front Load Collection of Recycling from Multi-Family Dwellings and Other Establishments on an “as scheduled” and “as required” basis.

Funding for this Contract will be made available from each year’s approved annual Current Budgets – Solid Waste Diversion/Recycling Multi-Family/Bins – Account Distribution No. 445 521027 201907 999.

HISTORY / DISCUSSION

The work of this Contract consists of the Front Load Collection of Recycling from Multi-Family Dwellings and Other Establishments, plus the delivery of these materials to their designated facilities.

On October 15, 2018, the Chief Administrative Officer approved an Award of Contract Extension No. 2 for the Front Load Collection of Recycling from Multi-Family Dwellings and Other Establishments, Bid Opportunity No. 1031-2011, for the period of February 1, 2019 to January 31, 2020. This was the final extension available under Bid Opportunity 1031-2011. In order to maintain service, Bid Opportunity No. 859-2018 was posted on November 1, 2018.

The Bid Opportunity closed on December 4, 2018, with bids being received as follows:

Miller Waste Systems Inc.	$14,205.82*
GFL Environmental Inc.	$467,656.33**
Omar's Environmental Ltd.	$557,961.06
Halton Recycling Ltd. dba Emterra Environmental	$654,345.77**
Waste Management of Canada Corporation	$1,061,148.12
Wintec Building Services Inc.	$1,298,335.00

* Miller Waste System Inc. has requested to have their bid withdrawn due to a calculation error.
**Corrected due to mathematical error.

Pre-bid Estimate: $700,000.00 (annually)

Miller Waste System Inc. requested to have their bid withdrawn due to a calculation error in their bid submission providing a total bid price far lower than what would be reasonable to complete the work. Miller Waste Systems Inc. sent an email on December 6, 2018 requesting to have their bid withdrawn due to the error. It should be noted that if the error was corrected, Miller Waste Systems Inc. would not have been the lowest bidder.

Solid Waste Services Staff of Water and Waste are satisfied that GFL Environmental Inc. has the necessary resources to perform all of the work in accordance with the requirements of the specifications. GFL Environmental Inc. has carried out previous works of a similar scope. The Contract Administrator has met with GFL Environmental Inc. to review the terms and conditions of Bid Opportunity No. 859-2018 and no issues or concerns were noted. After consultation with GFL Environmental Inc. the Contract Administrator believes that the bidder is qualified to carry out the Bid Opportunity.

The recommended Contractor, GFL Environmental Inc. has a Certificate of Recognition (COR) with Construction Safety Association of Manitoba (CSAM), Certification No. 95906-16.

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 lowest bid meeting all requirements of the specifications. This offer is open for acceptance until April 3, 2019.

FINANCIAL IMPACT

Financial Impact Statement

Date: December 17, 2018

Project Name:

First Year of Program **2020**

AWARD OF CONTRACT FOR FRONT LOAD COLLECTION OF RECYCLING FROM MULTI-FAMILY DWELLINGS AND OTHER ESTABLISHMENTS
BID OPPORTUNITY NO. 859-2018

	2020	2021	2022	2023	2024
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	$ 428,685	$ 489,091	$ 513,545	$ 539,222	$ 566,183
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 428,685	$ 489,091	$ 513,545	$ 539,222	$ 566,183
Less: Existing Budget Amounts	428,685	489,091	513,545	539,222	566,183
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. 859-2018 (not to exceed a 5% increase). The maximum contract amount, excluding extensions, for the period of Febraury 1, 2020 to January 31, 2025 is estimated at $2,584,097.00 assuming 5% annual inflation. Funds are budgeted in the operating accounts Multi Family Bins – Account Distribution No. 445 521027 201907 999.

"Original signed by L. Szkwarek, CPA, CGA"

mb
12-Dec-18

Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

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: January 4, 2019
File No.: G-254