Minutes – Executive Policy Committee – December 5, 2023

Reports – Standing Policy Committee on Water, Waste and Environment – November 24, 2023

Item No. 3 Award of Contract for Transportation of Sewage Sludge Tender No. 479-2023

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That the City award, enter into, execute and deliver a contract for the Transportation of Sewage Sludge for the period of July 1, 2024, to June 30, 2029, on an "as required" basis with Wintec Building Service Inc. in the estimated amount of $18,942,650.00 (quarterly price adjustments based on diesel fuel pricing and CPI not applied) based on an estimated annual amount of $3,788,530.00, GST 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").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contract for the Transportation of Sewage Sludge 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.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Reports – Standing Policy Committee on Water, Waste and Environment – November 24, 2023

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

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

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 24, 2023, the Standing Policy Committee on Water, Waste and 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 Transportation of Sewage Sludge Tender No. 479-2023

Critical Path: Standing Policy Committee on Water, Waste and Environment –
Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Goodbrandson,	T. W. Shanks	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

This report is for the award of a contract to Wintec Building Services Inc. for the Transportation of Sewage Sludge for the period of July 1, 2024 to June 30, 2029 on an “as required” basis. The procurement is through the Tender process. This service contract is to be financed from the annual Current Budget for Wastewater Treatment. 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 Transportation of Sewage Sludge for the period of July 1, 2024, to June 30, 2029, on an “as required” basis with Wintec Building Service Inc. in the estimated amount of $18,942,650.00 (quarterly price adjustments based on diesel fuel pricing and CPI not applied) based on an estimated annual amount of $3,788,530.00, GST 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”).

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contract for the Transportation of Sewage Sludge 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.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

The award of a multi-year contract greater than $5 million dollars for which funds are not yet approved by Council must be authorized by Council in accordance with Section B8.2.3 of the City of Winnipeg Materials Management Policy. Section B8.2.3 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 duration of this contract is for the period of July 1, 2024 to June 30, 2029 for the Transportation of Sewage Sludge on an "as required" basis.

Funds for the Transportation of Sewage Sludge are included in the annual Current Budget identified as – Sewage Disposal System – Interception and Treatment Regional – Account Distribution No. 444 526080 201109 999 SEWPCC and 444 526080 201110 999 WEWPCC.

HISTORY / DISCUSSION

The work of this contract consists of the transportation of sewage sludge and wastewater for the period from July 1, 2024, to June 30, 2029, with the option of one mutually agreed upon three year extension from July 1, 2029, to June 30, 2032.

The Tender closed on August 16, 2023, with bids being received as follows:

	Total Annual Bid Price	**Total Contract Bid Price**
Wintec Building Services Inc.	$ 3,788,530.00	$ 18,942,650.00
Simply Efficient Transport and Logistics Inc. (S.E.T.)	$ 3,846,105.00	$ 19,230,525.00
GFL Environmental Inc.	$ 4,242,410.00	$ 21,212,050.00

Note: All prices are based on the annual bid price for the start of the contract term and before any quarterly price adjustments are implemented.

Pre-bid Estimate $3,700,000.00 (Annual Price)

A Pre-Award meeting was held via telephone on August 25, 2023, to confirm the Contractor had the resource and ability to complete the work as required. Wintec Building Services Inc. provided verbal confirmation the work would be completed as detailed in the Tender. As such, Wintec Building Services Inc. has been determined to be qualified.

Notwithstanding C12, the Unit Prices of Items #1 through #5 will be increased or decreased quarterly (adjusted on July 1, October 1, January 1 and April 1 of each calendar year, starting July 1, 2024) by the percentage increase or decrease in the weighted average of Statistics

Canada - Consumer Price Index for Manitoba – All Items (CPI) and Natural Resources Canada Monthly Average Retail Prices for Diesel for Winnipeg (DFI).

The maximum allowable price change per annual adjustment shall be no greater than +/-10 percent from the previous year, regardless of the calculation result using the above index averages.

As this contract is awarded on an “as required basis”, the annual quantities will increase or decrease based on actual liquid sludge production, which is impacted by factors including, but not limited to, annual rainfall, construction impacts and changes to overall plant processes.

The Public Service is satisfied 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 Construction Safety Association of Manitoba, Certification No. 55802-15.

The requirements for Bid Security 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 January 13, 2024. The Work will not commence prior to the award of contract.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 27, 2023

Project Name:

AWARD OF CONTRACT FOR TRANSPORTATION OF SEWAGE SLUDGE
TENDER NO. 479-2023

First Year of Program **2024**

	2024	2025	2026	2027	2028
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	$ 1,894,265	$ 3,788,530	$ 3,788,530	$ 3,788,530	$ 3,788,530
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1,894,265	$ 3,788,530	$ 3,788,530	$ 3,788,530	$ 3,788,530
Less: Existing Budget Amounts	1,894,265	3,788,530	3,788,530	3,788,530	3,788,530
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Contract costs have been built into the Department's future operating budgets for 2024-2029. The contract is subject to quarterly adjustments as per Tender No. 479-2023 and is on an "as-required" basis. The estimated contract amount for the period of July 1, 2024 to June 30, 2029 is $18,942,650.00 (quarterly price adjustments based on diesel fuel pricing and CPI not applied). Not shown above: Contract year Jan. 01, 2029 - Jun. 30, 2029 estimated total of $1,894,265.00). Funds are budgeted in the operating accounts Sewage Disposal System – Interception and Treatment Regional – Account Distribution No. 444 526080 201109 999 SEWPCC and 444 526080 201110 999 WEWPCC.

Lucy Szkwarek, CPA, CGA

bah
15-Sep-23

Lucy Szkwarek, CPA, CGA
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

Goal: Environmental Resilience
Policy 2.19 Leverage Green Infrastructure

Objective 5: Protect and value ecosystems as essential components to f life

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report aligns with the Winnipeg Climate Action Plan through Strategic Opportunity 6: Waste Reduction and Diversion.

Key Direction:
6.3 Utilize Biosolids In Agriculture and Landscaping Industries

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Water and Waste
Division: Wastewater Services
Prepared by: Matthew Klowak, C.E.T.
Date: September 27, 2023
File No.: S-1294