



ADMINISTRATIVE REPORT

Report Date: March 11, 2017
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Meeting Date: April 12, 2017

TO: Standing Committee on City Finance and Services
FROM: General Manager of Engineering and Chief Purchasing Official
SUBJECT: Contract Award for ITT PS20161666 Vancouver Landfill - Phase 3 Southeast Closure and Gas Works

RECOMMENDATION

- A. THAT Council authorize City staff to enter into a contract with BD Hall Constructors Corp., for Phase 3 Southeast Closure and Gas Works, for a term of six (6) months, with an estimated contract value of \$7,338,645.00, plus applicable taxes over the term, to be funded through the 2015-2018 Capital Plan.
- B. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of Engineering be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- C. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued Invitation to Tender (ITT) No. PS20161666 Vancouver Landfill - Phase 3 Southeast Closure and Gas Works in February 2017. The ITT was advertised on the City of Vancouver website and BC Bid, and the work was called in accordance with the terms and condition of the City's Procurement Policy AF-015-01. City staff on the ITT evaluation committee and, subsequently, the Bid Committee have considered the responses received and, on that basis, recommend that the City enter into a contract as described above with BD Hall Constructors Corp.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered, and recommended BD Hall Constructors Corp., as the successful proponent.

REPORT

Background/Context

Owned and operated by the City, the Vancouver Landfill serves approximately 40% of the Metro Vancouver region, specifically, Vancouver, Delta, Richmond, White Rock, UBC/UEL, and a portion of Surrey. In operation since 1966, the Landfill is authorized by an Operational Certificate issued by the BC Ministry of Environment pursuant to the BC *Environmental Management Act* and Metro Vancouver's *Integrated Solid Waste and Resource Management Plan*. The current operating agreements with Metro Vancouver and the Corporation of Delta expire in 2037.

The Landfill's Operational Certificate requires that final cover be constructed no later than one year after final placement of garbage. Garbage filling in Phase 3 Southeast was completed in March 2017 and construction of the closure and gas works is scheduled to begin in May. Progressive closure for each phase on completion minimizes the environmental impact of the Landfill by maximizing landfill gas capture and minimizing leachate generation from closed areas.

Landfill gas (LFG) is collected with a network of horizontal collectors and vertical gas extraction wells and is conveyed to the flare station for either destruction in the flares or utilization off site. The City is committed to maximizing gas capture and reducing GHG emissions. In recent years, the City has been actively improving LFG collection at the site with the installation of numerous vertical extraction wells and horizontal collectors throughout the site. Regular installation of additional works is needed to maintain the BC *Landfill Gas Management Regulation* LFG collection efficiency target of 75%. As part of this project, additional landfill gas and leachate works are planned outside of the closure system, including in the active area, Phase 3 Northeast, as well as Phases 2 and 3.

The purpose of the ITT was to identify suppliers with a demonstrated capability to supply the City's estimated demand over the term of the contract with competitive pricing and meets the City's service requirements.

Strategic Analysis

In February 2017, ITT PS2011666 was issued in accordance with the City's Procurement Policy for the Landfill Gas System Upgrades at the Vancouver Landfill. Six (6) contractors attended the site visit and four (4) companies submitted bids. The City received a response from four (4) interested contractors as follows:

| <u>Contractor</u> | <u>Tender Price</u> |
|----------------------------|---------------------|
| BD Hall Constructors Corp. | \$7,338,645.00 |
| King Hoe Excavating Ltd. | \$8,769,143.25 |
| Tybo Contracting Ltd. | \$9,253,364.27 |
| JJM Construction Ltd. | \$12,389,893.43 |

The bid review and supplier evaluation were performed by Engineering Services staff and Supply Chain Management with oversight from Legal Services. Consultation for service requirements and vendor review was also performed by the City's Consultant. The evaluation team determined that the tender submitted by BD Hall Constructors Corp. is compliant with the ITT specifications and provides best overall value to the City. BD Hall Constructors Corp. submitted the lowest, qualified bid of \$7,338,645.00.

BD Hall Constructors Corp. is qualified to perform the work as set out in the tender documents based on satisfactory completion of large civil construction projects, 2014 LFG and Leachate System Upgrades at the Vancouver Landfill in 2014/2015, Phase 3 West closure completed in 2013, and references provided and checked. References were checked by the City's Consultant and Supply Chain Management and financial information was reviewed by Supply Chain Management.

Financial Implications

Finance has reviewed and confirmed that funding is available from the 2015-2018 Landfill Capital Plan.

Legal

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee plus Council will be signed by the Director of Legal Services.

CONCLUSION

In summary, City staff recommends that the City of Vancouver enter into a contract with BD Hall Constructors Corp., for Vancouver Landfill - Phase 3 Southeast Closure and Gas Works.

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