



ADMINISTRATIVE REPORT

Report Date: April 20, 2009
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Meeting Date: May 5, 2009

TO: Vancouver City Council

FROM: General Manager of Engineering Services and Manager of Supply Management

SUBJECT: Award of Tender PS09044 - Processing of Landfill Cover Material and Ancillary Services

RECOMMENDATION

- A. THAT subject to the conditions set out in Recommendations B, C, and D, the General Manager of Engineering Services be authorized to enter into a contract with Poschner Construction (88) Ltd. for Processing of Landfill Cover Material and Ancillary Services at an estimated cost of \$1,078,200 per year (including applicable taxes and fees) for a term of 3 years with the possibility of extending the contract by mutual agreement for up to two additional one-year terms; source of funds to be the Landfill Operating Budget;
- B. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A;
- C. THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services, the Manager of Supply Management and the Director of Legal Services; and
- D. THAT no legal rights or obligations will be created by Council's adoption of Recommendations A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of A to D.

COUNCIL POLICY

The policy of Council is to award contracts for the purchase of equipment, supplies, and services that will provide the best overall value to the City based on quality, service and price.

Contracts with a value over \$300,000 are referred to Council.

PURPOSE

This report seeks authorization to award the contract for the Processing of Landfill Cover Material and Ancillary Services to Poschner Construction (88) Ltd. for a term of three years at an estimated cost of \$1,078,200 per year, including all applicable taxes and fees.

BACKGROUND

The City owns and operates a 635-hectare municipal solid waste landfill (“Landfill”) in Delta. A critical component of the operation is the need for a continuous supply of material to cover the refuse to meet the Ministry of Environment’s requirements (“Cover Material”). Cover Material is primarily excavation material from sewer, water and street construction that is delivered to the Landfill. A contractor is hired by the City to stockpile the Cover Material and separate the oversized rubble from the soil. The contractor then transports both the soil and the rubble to various sites within the Landfill.

This contractor also provides fire protection services, ditch maintenance, grass mowing, trench preparation, reclamation of road construction material, litter fence maintenance, contingency pumping and other ancillary services (such as the rental of the contractor’s on-site equipment, with and without operator, to supplement City forces at the Landfill during peak periods or special projects). All such services are collectively referred to hereinafter as “Ancillary Services”.

Poschner Construction (88) Ltd. (“Poschner”) has been the contractor for the Processing of Landfill Cover Material and Ancillary Services since 1974 pursuant to consecutive competitively procured contracts. Poschner has been providing satisfactory work to the City under the previous contracts.

DISCUSSION

In March 2009, the General Manager of Engineering Services and Manager of Supply Management invited tenders for the Processing of Cover Material and Ancillary Services through an Invitation to Tender (ITT) (PS09044) issued and posted on BC Bid on March 17, 2009. Six tenders were received and opened on April 8, 2009. The bid prices are summarized in Table 1.

Table 1: Company Name and Bid Pricing

| Company | Bid Price¹ |
|----------------|------------------------------|
| Bidder 1 | \$1,078,200 |
| Bidder 2 | \$1,290,300 |
| Bidder 3 | \$1,321,000 |
| Bidder 4 | \$1,467,000 |
| Bidder 5 | \$1,688,400 |
| Bidder 6 | \$2,652,700 |

¹ Bid Price are per year, include GST and have been rounded to the nearest 100 dollars

Poschner had the lowest cost bid, with an overall price of \$1,078,200. An evaluation team composed of Engineering Services and Supply Management staff reviewed the lowest bid and determined that Poschner's bid was compliant with the ITT specifications.

Accordingly, the General Manager of Engineering Services and the Manager of Supply Management recommend awarding the contract for Processing Landfill Cover and Ancillary Services to Poschner Construction (88) Ltd. as Poschner's bid provides the best overall value to the City.

FINANCIAL IMPLICATIONS

Funding for Processing Cover Material Processing and Ancillary Services is provided for in the Landfill operating budget. The prices provided in Poschner's bid are nearly identical to prices currently being paid for these services. Therefore, entering into a contract with Poschner will match what has been budgeted for in the Landfill operating budget

ENVIRONMENTAL IMPLICATIONS

Vancouver is obligated to protect the environment as stipulated in the Landfill's Operational Certificate issued by the Ministry of Environment, as well as the 1989 Tripartite Agreement between Vancouver, the Corporation of Delta and the Greater Vancouver Sewerage & Drainage District. The Landfill's Operational Certificate outlines specific requirements for covering refuse as well as for the maintenance of environmental protection systems on the site and the services to be provided by Poschner under this contract are necessary to meet these requirements.

CONCLUSION

As Poschner has been providing satisfactory work to the City under the previous contracts, and given that Poschner had the lowest bid with the best overall value, it is recommended to award the contract for Processing of Landfill Cover Material and Ancillary Services to Poschner at an estimated cost of \$1,078,200 per year including all applicable taxes and fees.

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