



## ADMINISTRATIVE REPORT

Report Date: January 16, 2015  
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Meeting Date: February 18, 2015

TO: Standing Committee on Planning, Transportation and Environment  
FROM: General Manager of Engineering Services and Chief Purchasing Official  
SUBJECT: Contract for Sorting, Recycling and Hauling of Excavated Materials

### **RECOMMENDATION**

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering Services, City's Director of Legal Services and the City's Chief Purchasing Official and enter into a contract with Mainland Demo Contracting Ltd. for loading and hauling of excavated material services, for a term of three (3) years, with the option to extend for an addition two (2) one (1) year terms, with an estimated contract value of \$4,869,000 plus applicable taxes over the initial three-year term, to be funded by the approved capital and operating budgets of the departments using this service.
- B. THAT the Director of Legal Services 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 Director of Legal Services.

### **REPORT SUMMARY**

The City issued RFP PS20140533 in August 2014 for sorting, recycling and hauling of excavated materials. The RFP was advertised on City of Vancouver website and BC Bid and the work was called in accordance with the terms and conditions of the City's Procurement Policy AF-015-01. City staff on the RFP evaluation committee, and, subsequently, the Bid Committee have considered the responses received and, on that basis, recommend that the City negotiate and, if such negotiations are successful, enter into a contract as described above with Mainland Demo Contracting Ltd.

## ***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 Mainland Demo Contracting Ltd., as the successful proponent.

## ***REPORT***

### ***Background/Context***

The City's department of Engineering Services produces approximately 300,000 tonnes of excavated materials/soils ("Excavated Material") from sewer and waterworks trenches and street excavations per year. Excavated Material is loaded and hauled to the City's Kent Yard facility where it is sorted (processed) into various subcomponent stockpiles to facilitate reuse and recycling of the component parts. Residual materials, after removing recyclables, are transported daily to the Vancouver Landfill. The incumbent contractor has been providing loading and hauling services of these residual materials since 2002.

The City already recovers gravel and boulders from material for crushing and, as part of this procurement, the City is planning a new initiative that involves the contractor passively screening out cobbles and other soil materials greater than 2" (50mm) from the Excavated Material, with cobbles/soil material to be added to the Excavated Material stockpile (for crushing). The City anticipates that approximately 34,000 tonnes of material will be re-used in the place of Mineral Aggregate Product (MAP) that is currently being mined at a higher energy cost by a third party then purchased by the City. This initiative will save the City approximately \$47,000 per year as well as reduce GHG emissions by reusing approximately 34,000 tonnes of material that would have otherwise been hauled to the landfill. Since the screening is passive and requires no additional energy, this initiative will reduce the City's overall GHG (CO<sub>2</sub>) emissions by 204 tonnes annually (including crushing and transport).

The purpose of the RFP was to identify and select a supplier who meets the City's requirements with a demonstrated capability to supply the City's estimated demand for sorting, recycling and hauling of excavated materials over the term of the contract with competitive pricing.

### ***Strategic Analysis***

The RFP was issued in accordance with the City's Procurement Policy AF-015-01. The City received responses from five (5) vendors in response to the RFP. The responses were evaluated through the work of an evaluation team comprised of representatives from Engineering Services under the stewardship of Supply Chain Management to ascertain which response offered best overall value to the City. Both quantitative and qualitative factors were evaluated.

Some of the Criteria considered in the overall evaluation process included:

- Financial offering
- Quality Programs
- Safety Compliance
- Technical Capabilities, Acceptable Equipment and Fleet
- Demonstrated Service Levels and Service Support
- Financial and Risk Management
- Sustainability

Based on the overall evaluation, the team concluded that the proposal submitted by Mainland Demo Contracting Ltd. best met the City's requirements and provided best overall value to the City.

### *Financial Implications*

Finance has reviewed the financial information and confirmed that funding for the contract will be available through the approved Capital and Operations budgets recovered through Engineering Branches for years 2015 to 2017. As a result of the RFP process, based on historical usage the City is forecasting a savings of approximately \$255,750 over the initial 3 year term.

### *Legal*

The City's Procurement Policy requires that contracts approved by Bid Committee with values of over \$2 million must be concurred on by the Director of Legal Services.

### *CONCLUSION*

In summary, City staff recommends that the City of Vancouver negotiate and enter into a three (3) year contract, with the option to extend the contract for an additional two (2) one (1) year terms, with Mainland Demo Contracting Ltd., for sorting, recycling and hauling of excavated materials.

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