



ADMINISTRATIVE REPORT

Report Date: November 15, 2015
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Meeting Date: December 10, 2015

TO: Standing Committee on Planning, Transportation and Environment
FROM: General Manager of Engineering Services and Chief Purchasing Official
SUBJECT: Contract Award for ITT PS20151095 Landfill Gas System Upgrades

RECOMMENDATION

- A. THAT Council authorize City staff to enter into, subject 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, a contract with King Hoe Excavating Ltd., for construction services for Landfill Gas System Upgrades, for a term of one year, with an estimated contract value of \$3,112,128.00, plus applicable taxes over the contract term, to be funded from the 2016 Capital Budget for Landfill.
- B. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of Engineering 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 authorized signatories of the City as set out in these Recommendations.

REPORT SUMMARY

The City issued Invitation to Tender (ITT) PS20151095 in October 2015 for Vancouver Landfill Gas System Upgrades. 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 King Hoe Excavating 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 King Hoe Excavating Ltd. as the successful tenderer.

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.

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 reach and maintain the BC *Landfill Gas Management Regulation* LFG collection efficiency target of 75%.

ITT PS20151095 outlined the requirements for the next set of landfill gas system upgrades at the Vancouver Landfill in Delta. The scope of work in the resulting contract generally includes:

- Seventeen new horizontal gas collectors and nine new vertical gas wells in active filling areas in Phase 3;
- Extensions of existing piping where filling is approaching to enable continued gas collection; and
- Completion of the north main collection header to allow redundancy for maintenance purposes.

The purpose of the ITT was to identify suppliers with a demonstrated capability to perform the work along with a competitive price to deliver same.

Strategic Analysis

In October 2015, Invitation to Tender (ITT) PS20151095 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 the following four (4) companies submitted tenders:

<u>Company</u>	<u>Tender Price</u>
• King Hoe Excavating Ltd.	\$3,530,661*
• Jacob Bros Construction Inc.	\$3,932,578
• BD Hall Constructors Corp.	\$3,947,279
• B. Cusano Contracting (2007) Inc.	\$4,054,790

*includes \$418,533 in provisional items that are not being awarded under this report

The bid review and supplier evaluation were performed by Engineering Services Staff and Supply Chain Management. Consultation for service requirements and vendor review was also done by the City's consultant. The evaluation team determined that the tender submitted by King Hoe Excavating Ltd. is compliant with the ITT specifications and provides best overall value to the City. King Hoe Excavating Ltd. submitted the lowest, qualified bid of \$3,530,661 including provisional items (excluding GST). There are no deviations to the form of contract incorporated into the ITT.

King Hoe Excavating Ltd. is qualified to perform the work required for the project as set out in the tender package based on:

- satisfactory completion of large civil construction projects, including Phase 2 Closure & Gas System Upgrades at the Landfill in 2012/2013
- references provided and checked. References were checked by the City's Consultant and Supply Chain Management.

Financial Implications

Finance has reviewed and confirmed that funding is available in the proposed 2016 Landfill capital budget for consideration by Council on December 9th, 2015 and final approval on December 15th, 2015. As a result of the ITT, the City is able to achieve cost certainty for the proposed contract term.

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 one year contract with King Hoe Excavating Ltd. for Landfill Gas System Upgrades.

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