



ADMINISTRATIVE REPORT

Report Date: April 16, 2018
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VanRIMS No.: 08-2000-20
Meeting Date: May 16, 2018

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of the Engineering Services Department and Chief Purchasing Official

SUBJECT: Contract Award for ITT PS20172554 Phase 3 NE Closure and Phase 4 LFG System Expansion – Vancouver Landfill

RECOMMENDATION

- A. THAT Council authorize City staff to enter into a contract with M2K Construction Ltd., for construction services for the Vancouver Landfill Phase 3 NE Closure and Phase 4 LFG System Expansion, for an approximate term of two (2) years, with an estimated contract value of \$17,997,248.46, plus applicable taxes over the two-year term, to be funded through the 2015-2018 Capital Plan;
- FURTHER THAT the Director of Legal Services, Chief Purchasing Official and General Manager of the Engineering Services Department be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- B. 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. PS20172554 Phase 3 NE Closure and Phase 4 LFG System Expansion in March 2018. 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 ADM-008. City staff and consultants 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 M2K Construction Ltd.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy ADM-008 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 M2K Construction Ltd., as the successful contractor.

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 issued by the Ministry of Environment contains a requirement that final cover be applied within one (1) year of final placement of garbage. However, since the closure is a geomembrane-based system, construction of Phase 3NE closure is scheduled to be completed in summer 2018 during dry weather. 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%. This project also includes gas works within Phase 4 which is the currently active area of the Landfill.

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 March 2018, ITT PS20172554 was issued in accordance with the City's Procurement Policy for the Phase 3 NE Closure and Phase 4 LFG System Expansion at the Vancouver Landfill. Six (6) contractors attended the site visit and three (3) companies submitted bids. The City received a response from three (3) interested contractors as follows:

<u>Contractor</u>	<u>Tender Price</u>
M2K Construction Ltd.	\$18,838,958.46
King Hoe Excavating Ltd.	\$26,062,963.55
BD Hall Constructors Corp.	\$25,322,187.69

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 done by the City's Consultant. The evaluation team determined that the tender submitted by M2K Construction Ltd. is compliant with the ITT specifications and provides best overall value to the City. M2K Construction Ltd. submitted the lowest, qualified bid of \$18,838,958.46 excluding applicable taxes. The scope of work was reduced in order to align with budgetary goals, resulting in an award amount of \$17,997,248.46.

M2K Construction 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 PS20171898 Vancouver Landfill Phase 4 Lift 1 Leachate Collector at the Landfill in early 2018, 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 approved 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 two (2) year contract, with M2K Construction Ltd., for Vancouver Landfill Phase 3 NE Closure and Phase 4 LFG System Expansion.

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