



## COUNCIL REPORT

Report Date: October 2, 2023  
Contact: Alexander Ralph  
Contact No.: 604.829.2092  
RTS No.: 15939  
VanRIMS No.: 08-2000-20  
Meeting Date: November 1, 2023  
[Submit comments to Council](#)

TO: Standing Committee on Policy and Strategic Priorities  
FROM: General Manager of Engineering Services and Chief Procurement Officer  
SUBJECT: Contract Award for Pre-qualified Contractors for Closure and Other Landfill Works

### Recommendations

- A. THAT Council authorize City staff to establish the Landfill Closure Construction Program 1 ("LCCP1"), in which the City will prequalify certain contractors and have them competitively bid on an estimated \$45,000,000, plus applicable taxes, of partial landfill closure construction projects, over a three-year term, funded through capital project budgets, as and when the work is required, in accordance with the terms generally described in this report.
- B. THAT Council delegate its authority to the City's Chief Procurement Officer to execute binding memoranda of understanding with each of the following pre-qualified contractors: King Hoe Excavating Ltd., JJM Construction Ltd., BD Hall Constructors Corp., B&B Heavy Civil Construction Ltd., Jacob Bros. Construction Inc. to participate in the LCCP1, in accordance with the terms generally described in this report.
- C. THAT Council delegate its authority to the General Manager of Engineering and the Chief Procurement Officer to execute construction agreements with the contractor who submits the lowest bid for each Landfill construction project that City staff tenders to the pre-qualified contractors under the LCCP1.
- D. THAT No legal rights or obligations will be created by Council's approval of Recommendations A through C above unless and until the parties execute and deliver the legal agreements described in the Recommendations.

### Purpose and Executive Summary

Per the City's Procurement Policy ADMIN-008, all programs with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. City staff are seeking Council's approval of a deviation from the contract award authority under the Procurement Policy for the City's proposed Landfill Closure Construction Program 1 (LCCP1).

The purpose of the LCCP1 is to enable City staff to execute construction agreements more quickly with pre-qualified contractors, ultimately saving time and effort on critical work. This program will result in a timeline reduction of approximately six weeks per project, which is significant, at a time where construction escalation in Vancouver is approximately 1-2% per month. All of the agreements executed under the LCCP1 will still be competitively tendered and awarded based on lowest cost bids.

The City issued a Request for Applications PS20230378-ENG-RFA Contractor Pre-Qualification for Closure and Other Landfill Works (the RFA) on August 4, 2023. The RFA was advertised on the City of Vancouver website and the work was called in accordance with the terms and condition of the City's Procurement Policy ADMIN-008. City staff on the RFA evaluation committee and, subsequently, Bid Committee have considered the responses received and, on that basis, recommend that the City offer a Memorandum of Understanding to each of the five recommended vendors. The vendors will then be prequalified to bid on two or more Invitation to Tenders (ITT) packages over the three-year term of the LCCP1.

### **Council Authority/Previous Decisions**

The City's Procurement Policy ADMIN-008 requires that contracts valued over \$2 million must be approved by Council, following review and recommendations by the Bid Committee.

Council's approval of the LCCP1, per the recommendations above, is a deviation from the City's Procurement Policy ADMIN-008 but consistent with several similar pre-qualification programs approved in the past. Council's approval of the recommendations would authorize staff to award contracts over \$2 million to prequalified contractors through a Contract Approval Summary process without further individual approval of each contract by Bid Committee and Council.

The Bid Committee has considered and recommended that five vendors be prequalified.

### **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

### **Context and Background**

The Landfill's Operational Certificate requires that final cover be constructed no later than one year after final placement of garbage. Filling in Phase 5 South is projected to be completed in Summer 2024 with closure planned for 2025. The City is using the current industry standard geomembrane closure system (plastic cap) at the Landfill which minimizes leachate generation and maximizes gas collection. Installation of the geomembrane must be done in dry weather to allow for proper seaming of the panels to ensure its long term performance. Other integral closure system elements include gas, leachate and stormwater works.

Historically, procurement of contractors to perform this work has been through ITT, where the lowest cost, compliant bidder is selected to perform the work. However, based on experience, this procurement approach is sub-optimal for this type of work because of the incidents of contractor health and safety incidents, quality issues during construction, inability to meet tight construction deadlines, issues with supplier and subcontractor management, legal disputes and a lack of competition during procurement resulting in high prices.

To better respond to the requirements of this specific Engineering asset class, City staff are recommending a long-term program procurement approach. To create this program City staff posted the RFA in 2023 to create the LCCP1, where a managed list of qualified vendors will be invited to bid on and, subsequently, perform the work. The purpose of the RFA was to identify vendors with demonstrated capability to meet the City's estimated demand over the term of the contract at competitive pricing and satisfactory service requirements. To comply with trade agreements, the term of the LCCP1 is limited to three years. Looking ahead, two closure tenders are planned under the LCCP1 as well as construction of stormwater management works that are currently in conceptual design.

The shortlisted contractors will be requested to sign Memoranda of Understanding that will allow the City to send them ITTs along with a City construction contract, specific to each project, as and when the City has a requirement for closure or related works. The ITT packages will request bid, performance, labour and material and other bonds, as appropriate, according to the Canadian Construction industry standards. The final vendor selection will be based on the on the lowest priced, compliant bid. Prior to initiation of the ITT, each specific project will require to commence the procurement process with department and Finance approval, commensurate with the contract value as per the City's delegated expenditure authority levels.

This report is contemplating approval of the entire program and, as such, each specific contract award will be approved via the City's standard Contract Approval Summary (CAS) process, which requires approval from Engineering and Finance leadership, commensurate to value. The team will not be seeking Bid Committee or Council approval for construction contracts awarded under this program for the three-year term, all of which City staff anticipate will be over \$2M in value.

## **Discussion**

The RFA was issued in the accordance with City's Procurement Policy ADMIN-008. The City received responses from:

- B&B Heavy Civil Construction Ltd.
- BD Hall Constructors Corp.
- Clearway Construction Inc.
- JJM Construction Ltd.
- Jacob Bros. Construction Inc.
- King Hoe Excavating Ltd.
- M2K Construction Ltd.
- QM LP
- Summit Earthworks Inc.

The responses were evaluated, using both quantitative and qualitative factors, through the work of an evaluation team comprised of representatives from the Engineering Services Department and Occupational Health and Safety under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City.

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

- Respondent's depth of experience on projects involving landfill closure or related work;

- Qualifications of the applicant’s key personnel and their capacity to attend to the City’s requirements;
- Ability to manage subcontractors and proponent’s own personnel to supplement subcontractor’s work;
- Respondent’s safety qualifications and safety management processes;
- Compliance with City policy and insurance and bonding requirements; and
- Employment equity and workforce diversity.

Based on the results of the overall evaluation, the team concluded that the applications submitted by the following vendors best met the City’s requirements and should be prequalified by the City for Landfill Closure and Other Works:

- King Hoe Excavating Ltd.
- JJM Construction Ltd.
- BD Hall Constructors Corp.
- B&B Heavy Civil Construction Ltd.
- Jacob Bros. Construction Inc.

**Financial Implications**

Financial Planning & Analysis (FP&A) has reviewed the cost of the goods and/or service and concurs that funding is available from Multi-year Capital Project Budget from Phase 5 South Closure, Phase 5 North Closure and 2023-2026 Landfill Stormwater Management in the 2023-2026 Capital Plan. Actual funding for each specific project will be concurred on by FP&A through prior to initiating the procurement process as and when the work is required.

**Legal Implications**

The City’s Procurement Policy requires that all contracts that have been awarded by Bid Committee and Council be signed by the Director of Legal Services. The recommendation of this report is that Council delegate its authority to the General Manager of Engineering and the Chief Procurement Officer to execute construction agreements with the contractor who submits the lowest bid for each Landfill construction project that City staff tenders to the pre-qualified contractors under the LCCP1 program.

\* \* \* \* \*