

**REPORT TO PARKS & ENVIRONMENT COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 27, 2019**

SUBJECT **Hartland Landfilling Operations – Award of Contract 19-2005**

ISSUE SUMMARY

To seek approval for the award of Contract 19-2005, *Hartland Landfilling Operations July 2020 to June 2025*.

BACKGROUND

As part of operating Hartland landfill, the Capital Regional District (CRD) contracts out equipment services to manage the solid waste and carry out the construction and maintenance of the landfill. The main operations include:

- providing specific heavy equipment and standby equipment with operators for placement and compaction of refuse
- hauling and placing aggregate on site for use of daily, asbestos and alternate daily cover
- site preparation, reworking of cover material storage areas and other landfilling-related work
- excavation of controlled waste trenches
- conducting snow removal and road maintenance
- conducting dust suppression procedures
- building fire breaks and assisting with fire control

The current operations contract ends on June 30, 2020.

The Tender for Contract 19-2005 closed on November 12, 2019 and four bids were received from pre-qualified contractors for a five-year term starting July 1, 2020 and ending June 30, 2025. The following tender prices were received for the first year (12 months) of the contract. The total annual payment is based on hourly unit rates for equipment for a specified number of hours, as listed in the tender document. Specified hours were estimated based on the actual number of hours equipment was deployed in previous years. Payments to the contractor will be made at the unit rates established in the first year (2020) of the contract for the actual number of hours equipment is deployed. Unit rates will be increased annually by 1.5% towards the actual labour, equipment and fuel costs.

| Name of Tenderer | Tendered Amount for Year 1 (includes provisional and alternate items and GST) |
|----------------------------|--|
| Ralmax Contracting Ltd. | \$1,805,732.25 |
| Emterra Environmental Ltd. | \$3,372,205.62 |
| GFL Environmental Inc. | \$1,998,247.02 |
| WHISSELL Contracting Ltd. | \$2,297,568.00 |

Staff reviewed all tenders, which were found to be complete. The tender from Ralmax complies with the instructions to tenderers and costs are in line with staff estimates.

ALTERNATIVES

Alternative 1

The Parks & Environment Committee recommends to the CRD Board:

1. That Contract 19-2005, *Hartland Landfilling Operations July 2020 to June 2025*, be awarded to Ralmax Contracting Ltd. for a five-year term, with the first year tendered amount estimated at \$1,805,732.25;
2. That the Contract include an annual unit rate adjustment of 1.5% in years 2021 to 2025; and
3. That the Chief Administrative Officer be authorized to finalize and execute the Contract.

Alternative 2

The Parks & Environment Committee recommends to the Capital Regional District Board:
That the CRD not award Contract 19-2005.

IMPLICATIONS

Financial Implications

A five-year contract has resulted in competitive equipment rates that are comparable to the current year's costs. The low bid from Ralmax Contracting Ltd. is within the budget allocated for landfilling operations, aggregate placement, contingencies and applicable taxes. Funding will be drawn from the Environmental Resource Management annual solid waste operating budget.

The five-year contract for the provision of heavy equipment services to manage solid waste compaction and site construction at Hartland landfill is based on \$1.8 million per year, escalated at 1.5%/year. Therefore, the five-year total contract value is expected to exceed \$9 million and requires approval by the Board.

Environmental Implications

This contract specifies equipment that aligns with the CRD's climate action goals and proposed new landfilling methodology to minimize overall equipment and cover material use, as well as maximize airspace utilization. For example, an alternate type of diesel-electric dozer has been built into this contract to increase productivity by 10% while lowering fuel consumption by up to 30% for that piece of equipment.

CONCLUSION

The existing Hartland operations landfilling contract ends on June 30, 2020 and a new contract must be awarded in time to source new equipment. Four competitive bids were received and the low bid is within budget and comparable to the current year's costs. Staff recommend that the Hartland Landfilling Operations contract be awarded to the low bidder, Ralmax Contracting Ltd. Upon award of the contract by the CRD Board, the landfilling operations will continue uninterrupted.

RECOMMENDATION

The Parks & Environment Committee recommends to the Capital Regional District Board:

1. That Contract 19-2005, *Hartland Landfilling Operations July 2020 to June 2025*, be awarded to Ralmax Contracting Ltd. for a five-year term, with the first year tendered amount estimated at \$1,805,732.25;
2. That the Contract include an annual unit rate adjustment of 1.5% in years 2021 to 2025; and
3. That the Chief Administrative Officer be authorized to finalize and execute the Contract.

| | |
|---------------|--|
| Submitted by: | Stephen May, P. Eng., Senior Manager, Facilities Management & Engineering Services |
| Concurrence: | Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services |
| Concurrence: | Robert Lapham, MCIP, RPP, Chief Administrative Officer |

Appendix A – Invitation to Tender 19-2005 - Operation of Hartland Landfill July 2020 to June 2025