



**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 27, 2013**

SUBJECT **OPERATION OF HARTLAND LANDFILL JANUARY 2014 TO JUNE 2016 –
AWARD OF CONTRACT 13-1765**

ISSUE

To seek approval for the award of Contract 13-1765, Operation of Hartland Landfill January 2014 to June 2016.

BACKGROUND

As part of operating Hartland landfill, the Capital Regional District (CRD) contracts out equipment services to spread, compact, bury and cover all refuse and controlled waste received for disposal. The same equipment services contractor is responsible for the construction of general site infrastructure, such as roads, pads, trenches and drainage systems.

Due to contractual non-compliance resulting in significant safety and liability risks, the CRD terminated the previous landfilling services contract in mid-2012. The CRD Board, at its meeting of March 13, 2013, directed staff to tender the landfill equipment services work using a contract payment structure linked to performance and maximization of landfill air space. The current interim equipment rental agreement ends on December 31, 2013 and the work for January 2014 to June 2016 was tendered.

Tenders were received from three pre-qualified contractors on October 23, 2013 for a 2.5-year contract, with the CRD reserving the option of providing, at its discretion, four 3-month extensions. The following prices were received for the first year (12 months) of the contract.

Name of Tenderer	Tendered Amount (including GST)
Chew Excavating Ltd.	\$1,229,309.03
Quantum Murray LP	\$1,429,370.25
Jacob Brothers Construction Limited	\$1,724,535.75

All tenders have been reviewed and found to be complete. The low tender from Chew Excavating Ltd. complies with the instructions to tenderers and is under the pre-tender estimated amount of \$1,300,000 allocated under the solid waste operating budget.

The total annual payment is based on hourly rates for equipment for specified hours as listed in the tender document. Payments to the contractor will be made at the rates established in the first year of the contract and will be adjusted in January 2015 and in each subsequent year using the consumer price index for the selected indices of labour, equipment and fuel.

ALTERNATIVES

1. That the Environmental Services Committee recommend to the Board that:
 - a) Contract 13-1765, Operation of Hartland Landfill January 2014 to June 2016, be awarded to Chew Excavating Ltd. in the amount of \$1,229,309.03 for the first year (2014) and a 2.5-year term, and that payment of hourly rates for labour, equipment and fuel be adjusted in 2015 and 2016 based on the consumer price index.
 - b) Costs be charged to the 2014, 2015 and 2016 solid waste operating budgets.
2. That the CRD not award the contract.

ECONOMIC IMPLICATIONS

Funding will be drawn from the annual solid waste operating budgets. The amount of \$1,300,000 is included in the 2014 budget.

CONCLUSION

Chew Excavating Ltd. provided the lowest tendered amount and possesses the experience, expertise and personnel to execute the work, in compliance with the terms and conditions of the contract, and should, therefore, be awarded Contract 13-1765, Operation of Hartland Landfill. The new contract will commence January 1, 2014.

RECOMMENDATIONS

That the Environmental Services Committee recommend to the Board:

That:

1. Contract 13-1765, Operation of Hartland Landfill January 2014 to June 2016, be awarded to Chew Excavating Ltd. in the amount of \$1,229,309.03 for the first year (2014) and a 2.5-year term, and that payment of hourly rates for labour, equipment and fuel be adjusted in 2015 and 2016 based on the consumer price index;
2. Costs be charged to the 2014, 2015 and 2016 solid waste operating budgets.

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