



## STAFF REPORT ACTION REQUIRED

### Contract Award for Green Lane Landfill Engineering Services – Request for Proposal No. 9117-11-3074

<b>Date:</b>	April 26, 2012
<b>To:</b>	Public Works & Infrastructure Committee
<b>From:</b>	Acting General Manager, Solid Waste Management Services Acting Director, Purchasing and Materials Management
<b>Wards:</b>	All
<b>Reference Number:</b>	P:2012/SWMS/May/004PW (AFS #15537)

#### SUMMARY

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The purpose of this report is to advise on the results of Request for Proposal No. 9117-11-3074 for Engineering Services at the Green Lane Landfill and to request authority to enter into engineering and related agreements with the recommended proponent, being the highest ranked proponent.

#### RECOMMENDATIONS

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**The Acting General Manager of Solid Waste Management Services and the Acting Director of Purchasing and Materials Management recommend that:**

1. City Council authorize the Acting General Manager, Solid Waste Management Services, to negotiate and enter into engineering consulting, design services and related agreements (yearly project agreements) with GENIVAR Inc. being the highest overall scoring proponent meeting the requirements of Request for Proposal No. 9117-11-3074, for Engineering Services at the Green Lane Landfill for a term of eight (8) years plus one (1) month, with two (2) additional one (1) year extensions at the sole discretion of the Acting General Manager of Solid Waste Management Services, based on the terms and conditions set out in the Request for Proposal, any addenda, the Proposal submitted by GENIVAR Inc. and otherwise on terms and conditions satisfactory to the Acting General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor, at a cost not to exceed a total amount of \$10,352,664.87 net of all taxes (\$10,534,871.77 net of HST Recoveries) including labour, disbursements, provisional allowances and contingencies.

## Financial Impact

The original estimate for this work provided by Golder Associates was \$13.337 million, net of all taxes and an assumed Consumer Price Index of 2%.

The total eight (8) year plus one (1) month Engineering contract cost with the option to extend for two (2) additional one (1) year periods to 2022, is \$10,352,664.87 excluding taxes or \$10,534,871.77, net of HST Recoveries. The Approved 2013-2021 Capital Plan for Solid Waste Management Services currently has \$33.938 million remaining in cash flow commitments available for required capital work at the Green Lane landfill. Funding for the Engineering agreements will be provided entirely from the Capital Plan for Green Lane (CSW007). The required capital funding in the option year 2022 is based on future capital budget submission.

The projected cashflow for the Green Lane project is estimated below.

### Cash flow by Year (\$000) (Net of HST Recoveries)

Year	2012 - 2021 Capital Plan - CSW007	Future Capital Submission	Total
2013	556		556
2014	1,135		1,135
2015	955		955
2016	1,002		1,002
2017	1,092		1,092
2018	1,131		1,131
2019	1,195		1,195
2020	1,154		1,154
<b>8-Year Total</b>	<b>8,220</b>		<b>8,220</b>
Option 2021	1,167		1,167
Option 2022		1,147	1,147
<b>10-Year Total</b>	<b>9,387</b>	<b>1,147</b>	<b>10,535</b>

The above Capital costs reflect a 2.5% per year increase in the Consumer Price Index which is consistent with the general rate used in the 2012 Capital Budget. The above costs also reflect a contingency of 20% per year.

Technical Services staff and Golder Associates have reviewed the rates provided by GENIVAR Inc. and have found them to be reasonable.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

On September 19, 2006, City Council issued instructions to staff, and in so doing, adopted, as amended, the confidential report (September 18, 2006) from the General Manager, Solid Waste management services, and the Deputy City Manager and Chief Financial Officer, entitled “Long Term Waste Disposal Capacity”.

City Council Decision document can be viewed at:

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060919sp/cofa.pdf>

Conestoga-Rovers and Associates Limited is the current Engineering Service Provider at the Green Lane Landfill Site. Approval to enter into the current Engineering Agreement can be viewed at the Bid Committee Decision document:

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getDecisionDocumentReport&meetingId=4668>

## **ISSUE BACKGROUND**

Since the City purchased the Green Lane Landfill in March 2007, the City has had a contract for engineering and design components of the landfill operation with Conestoga-Rovers & Associates Limited (Contract No. 47012580). This Engineering Contract will expire at the end of March 2013.

Due to the complexity and financial impact of this call, it was determined that it would be prudent to retain a fairness consultant to oversee the various stages of the procurement process and provision of oversight and advice for the Request for Proposal. As a result, a Request for Quotation) was issued and a contract awarded to Knowles Consultancy Services Inc. This ensured that the entire process for the Request for Proposal was carried out in a fair and transparent manner. The Fairness Consultant has provided a report to that effect (Attachment 1).

## **COMMENTS**

### Two Envelope Request for Proposal

A “two envelope” model was used to evaluate the Request for Proposal submissions for the Engineering Services Request for Proposal for the Green Lane Landfill. This required each proponent to exclude dollar figures from its technical proposal. Proponents were required to meet a minimum technical threshold score with regard to its ability to fulfil the requirements as specified in the Request for Proposal (first envelope). Each proponent that met the minimum technical threshold score had its separate sealed cost of services proposal (second envelope) opened and evaluated to determine the lowest cost provider.

### The Request for Proposal

Request for Proposal No. 9117-11-3074 for the provision of Engineering Services for the Green Lane Landfill was issued by Purchasing and Materials Management Division on November 7,

2011 and was available for download in PDF on the City's internet website. The closing date for the submissions was January 4, 2012. The Request for Proposal was for an eight (8) year plus one (1) month term commencing on March 1, 2013, with an option to extend for two (2) additional one (1) year periods at the sole discretion of the Acting General Manager, Solid Waste Management Services.

The Engineering Services Contract will provide, amongst other things, the following services:

- contract management for landfill construction;
- assistance with the City's management of landfill operations on the City's behalf;
- monitoring construction operations related to new landfill cells;
- conducting environmental and operations compliance monitoring and reporting;
- undertaking various engineering design and advisement tasks related to the landfill and associated facilities.

The Request for Proposal provides for yearly project agreements covering specific activities and pricing for construction-related activity under the design services agreement.

Two hundred and ninety two (292) firms on the City's bidders' list were invited to submit a proposal in response to this Request for Proposal. The Request for Proposal was advertised on the City of Toronto's Internet website.

Seven (7) firms either downloaded the document from the Purchasing & Materials Management Division website or purchased a hard copy of the Request for Proposal document.

#### Evaluation of Request for Proposal

A total of two (2) submissions were received for the Engineering Services Request for Proposal No. 9117-11-3074:

1. GENIVAR Inc.; and
2. Conestoga-Rovers & Associates Limited.

A formal selection committee comprised of eight (8) members, four (4) from Solid Waste Management Services, two (2) from Technical Services, and two (2) from Golder Associates Limited, evaluated the technical proposals in compliance with the criteria set out in the Request for Proposal. One (1) member from Purchasing & Materials Management Division and one (1) member from Knowles Consultancy Services Inc. provided guidance and observed the evaluation process of the Request for Proposal from a fairness perspective. One (1) additional member from Technical Services acted as a facilitator for the selection committee.

The Request for Proposal was divided into three stages and evaluated on the following:

- Stage 1, Mandatory Evaluation Pass/Fail
- Stage 2, Detailed Technical Evaluation
- Stage 3, Financial Evaluation

The technical submissions were evaluated first independently and then jointly by all members of the selection committee in accordance with a set of pre-established criteria. In compliance with the Request for Proposal, a list of mandatory requirements had to be passed and a threshold score of 75% or 56.3 points had to be met by each technical proposal as a minimum requirement for further consideration and review of the separate cost proposal.

The technical proposals from Conestoga-Rovers & Associates Limited and GENIVAR Inc. met the mandatory requirements and exceeded the minimum technical threshold. Their separate cost proposals were opened and reviewed. The cost proposals were evaluated in compliance with the Request for Proposal, and the scores for the cost proposal were added to the technical scores.

On completion of the above process, the proposal from GENIVAR Inc. was ranked first with the highest overall point score and the lowest cost of services. The selection committee concluded that the proposal submitted by GENIVAR Inc. satisfies the overall project requirements and demonstrates an appropriate level of effort for the proposed work.

Proponent's scores and staff analysis of the evaluation results of the Request for Proposal can be provided to Councillors in an in-camera presentation if requested by members of Council.

The Fair Wage Office has reported that the recommended firm has indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and that both firms have agreed to comply fully.

## **CONTACT**

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## **SIGNATURE**

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Vincent Sferrazza  
Acting General Manager  
Solid Waste Management Services

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Michael Pacholok  
Acting Director  
Purchasing & Materials Management Division

## **ATTACHMENTS**

Attachment 1 – Fairness Consultant's Report: Knowles Consultancy Services Inc.