

DATE: December 20, 2018

FILE: 5360-20/CV

TO: Chair and Directors
Comox Valley Regional District
(Comox Strathcona Waste Management) Board

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Award of contract for waste compactor - CVWMC

Purpose

To seek approval from the Comox Valley Regional District (Comox Strathcona Waste Management) Board (Board) for the award of a contract for the supply of a waste compactor for the Comox Valley Waste Management Centre (CVWMC).

Recommendation from the Chief Administrative Officer:

1. THAT as a result of the Request for Quotations process, the contract for the supply of a compactor with extended warranty including telematics GPS monitoring, be awarded to Finning (Canada), a division of Finning International Inc., in the amount of \$895,000 excluding GST and PST;
2. AND FURTHER THAT a seven year contract be awarded to Finning (Canada), a division of Finning International Inc., for scheduled maintenance of the compactor for a sum of \$97,709 excluding GST and PST.

Executive Summary

The compactor has been identified for replacement and has been included in the previous three Financial Plans. A new compactor ensures the full value and utilization of the air space available. It is an important piece of equipment within the Comox Strathcona Waste Management (CSWM) service.

A Request for Quotations (RFQ) for the purchase of a new compactor with extended warranty and telematics was issued in October 2018, and three quotations were received.

- Staff recommendation is based on providing the best value for money to the CSWM service:
 - the lowest lifecycle cost of all quotations received
 - adherence to specification and training requirements
 - Specifications, and dealer support action plans (warranty, repair, parts);
- The cost of the new compactor is funded through capital funding at \$957,650;
- Annual maintenance contract are considered operational costs for equipment;
- The maintenance contract will cost approximately \$15,000 per year.

Prepared by:

Concurrence:

Concurrence:

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 Operations

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 Engineering Services

Background/Current Situation

The current compactor at the CVWMC is a 2013 Bomag which began service at the facility in July 2013 and has approximately 8,800 hours of operation. In the summer of 2018, the compactor engine failed and required replacement at a cost of \$58,900 as there is no longer warranty on the machine. The engine failure resulted in four months of downtime, resulting in limited compaction of waste at the landfill.

Deferring the replacement of the compactor has been considered based on the new engine, but it is not recommended. There are still major components that could fail, such as the final drives or the transmission, which are expensive components to replace and could result in lengthy machine down time. Unfortunately, the machine has become increasingly unreliable with age, and parts and service are not readily available which also resulting in downtime. In addition, the compactor has provided servicing challenges, as it requires two separate service contractors.

Replacement of the current compactor has been included in 2019 – 2023 Financial Plan. Staff proceeded with issuing RFQ in October 2018, for the procurement of a compactor for the CVWMC. Three RFQs were received, and all were compliant and proceeded to the evaluation stage which was based on total life cycle cost, specifications and servicing availability. Following evaluations, the quotation from Finning (Canada) ranked the highest. The ranking of all proposals is provided in Table 2.

Table 2: Quotation ranking

Ranking	Supplier Name	Proposed Equipment
1	Finning (Canada), a division of Finning International Inc.	2019 Caterpillar 826K
2	Superior Truck Equipment Inc.	2019 Tana E380 ECO
3	Brandt Tractor Ltd.	2018 Bomag BC772RB-4

The evaluation process resulted in the successful supplier being Finning (Canada), who offered a 2019 Caterpillar model 826K landfill compactor. Finning (Canada) was the successful vendor based on having the lowest lifecycle cost of all quotations received, adherence to specification, training requirements and parts and servicing availability.

Policy Analysis

The CSWM service area covers the Comox Valley and Strathcona Regional Districts' geographical areas and is operated by the Comox Valley Regional District (CVRD) under letters patent. The service was established under Bylaw No. 1822 being "Regional Solid Waste Plan Local Service Area Establishment Bylaw No. 1822, 1996" to establish and operate a local service for the collection, removal and disposal of municipal solid waste. Fees and charges for this service are provided for under Bylaw No. 170 being "Solid Waste Fees and Charges Bylaw No. 170, 2011", so that annual costs may be recovered.

Bylaw No. 510, being the “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 510, 2018”, and the CVRD Board approved Procurement Policy, requires that the Board approve contracts identified for approval.

Options

1. To award the contract for the supply of a new compactor to Finning (Canada);
2. To not award the contract and not purchase a compactor at this time.

In order to maximize landfill life expectancy and maximize the compaction of the waste arriving at the CVWMC, staff are recommending Option 1.

Prolonging the use of the current compactor would be associated with Option 2. Due to age and condition of the current compactor, the ability to maximize landfill life expectancy and maximize the compaction of the waste arriving at the CVWMC could be compromised.

Financial Factors

The CSWM service purchased the current compactor in 2013, and planned for replacement within the past three Financial Plans. Within the 2018-2022 Financial Plan, the compactor had an anticipated expenditure for 2019 of \$900,000. The planned budget in 2019 for equipment is set for \$960,000 and with PST would result in a total cost for the compactor of \$957,650. The current compactor will be sold after the new compactor is received and in operation for a period of time. The conservative estimate for salvage of the old unit is \$75,000.

Interdepartmental Involvement

Engineering Services has worked closely with Financial Services throughout this procurement process.