

DATE: June 9, 2022

FILE: 5360-01

TO: Chair and Directors
Comox Strathcona Waste Management Board

Supported by James Warren
Deputy Chief Administrative
Officer

FROM: James Warren
Deputy Chief Administrative Officer

J. Warren

RE: CSWM Capital Budget Amendment

Purpose

To obtain approval for a budget amendment to the 2022-2026 financial plan for the Comox Strathcona Waste Management (CSWM) service, function 391, for:

1. replacement of the gravel truck which was not carried forward from the 2021 financial plan due to a clerical error and
2. additional funds to advance the scale software update project.

Recommendation from the Chief Administrative Officer:

1. THAT the 2022-2026 financial plan and capital expenditure program for the Comox Strathcona Waste Management service, function 391, be amended by \$250,000 in project no. 1054 for 2022 towards the purchase of a gravel truck to be funded by an increase in the contribution from capital works reserve by \$250,000.
2. THAT the 2022-2026 financial plan and capital expenditure program for the Comox Strathcona Waste Management service, function 391, be amended by \$25,000 in project no. 1121 for 2022 for the scale software upgrade for a project budget of \$100,000 with additional contribution from capital works reserve.

Executive Summary

A budget amendment to the 2022 – 2026 financial plan is requested for the following two projects:

1. Gravel Truck Replacement
 - As part of the 2018 – 2022 financial planning process, \$200,000 was allocated for the gravel truck replacement which was deferred to 2022 for operational reasons and to extract as much service life from the existing asset as possible.
 - The gravel truck has now reached its end of service life and requires replacement. However, due to do a clerical error in the budget process, the \$200,000 for the gravel truck was not carried forward from the 2021 financial plan to the 2022 financial plan.
 - Through the quotation process, the gravel truck replacement cost has escalated by \$50,000, with the lack of supply and increased demand cited as the primary reason for the price escalation.
 - The gravel truck is crucial to the operation, therefore, staff is recommending a budget amendment to reallocate the original \$200,000 from the 2021 – 2025 capital plan to the 2022 – 2026 capital plan, with an additional \$50,000 to be allocated to support this equipment purchase to a maximum of \$250,000 to be funded by an increase in the contribution from capital works reserve by \$250,000.

2. Scale Software Replacement

- The landfill scale software is one of the highest asset risk for the CSWM operations given its age and criticality to the calculations of tip fees and the operations of the weigh scales at the Comox Valley and Campbell River Waste management centers.
- Staff undertook a Request for Proposal (RFP) for a replacement scale software, which resulted in 3 proposal responses, of which, one proposal was non-compliant, one proponent withdrew and the remaining compliant proposal was \$25,000 above the current approved project budget of \$75,000. While only one proposal was compliant, the tight grouping of the pricing suggests that even if staff were to reissue the RFP, it will not likely yield a lower price.
- Given the critical nature of this scale software upgrade, staff recommends proceeding with the compliant proposal, which will require a budget amendment to a maximum of \$100,000 to be funded by an increase in the contribution from capital works reserve by \$25,000.

Prepared by:

J. Lee

Jesse Lee
Manager of Operations

Concurrence:

V. Schau

Vivian Schau
Senior Manager of CSWM
Services

Concurrence:

M. Rutten

Marc Rutten, P.Eng
General Manager of
Engineering Services

Background/Current Situation

The Gravel Truck Replacement

- In 2017, the gravel truck was identified for replacement during the 2018 – 2022 financial planning process and \$200,000 had been allocated for this purchase in the previous four CSWM financial plans (Appendix A – 2018 – 2021 CSWM Capital Plans – Project No. 1054).
- In 2018, it was determined that the service life of the gravel truck could be extended to further utilize the asset. At that time, the decision was made to defer the replacement of the gravel truck to allow staff to assess its operations to ensure the gravel truck is the right equipment to complements the facility’s current and future operational needs.
- The gravel truck has now come to the end of its useful service life and requires replacement. Due to do a clerical error in the budget process, the \$200,000 for the gravel truck was not carried forward from the 2021 financial plan to the 2022 financial plan.
- Through the quotation process, the gravel truck replacement cost has escalated and \$250,000 is now required to execute the contract, with the lack of supply and increased demand as the primary reason for the price escalation.
- A budget amendment is required to reallocate the original \$200,000 from the 2021 – 2025 capital plan to the 2022 – 2026 capital plan, with an additional \$50,000 to be allocated to support this equipment purchase to a maximum of \$250,000 to be funded by an increase in the contribution from capital works reserve by \$250,000.

The Scale Software Upgrade

- In 2019, the CSWM service hired AECOM to prepare an AMP which provides a long term technical and financial road map for sustainable management of CSWM service assets, as well as a process for the maintenance, repair and replacement of assets as they age past their end of service life and or exceed the risk tolerances of the CSWM service.

- AECOM identified the landfill scale software as one of the highest asset risk for the CSWM operations given its age and criticality to the calculations of tip fees and the operations of the weigh scales at the Comox Valley and Campbell River Waste management centers.
- The RFP for the scale software resulted in three proposal responses, of which, one proposal was non-compliant, one proponent withdrew and the remaining compliant proposal was \$25,000 above the current approved project budget of \$75,000.
- Given the critical nature of this scale software upgrade, staff recommends proceeding with the compliant proposal.
- A budget amendment is required to support the award the scale software replacement contract to a maximum of \$100,000 to be funded by an increase in the contribution from capital works reserve by \$25,000.

Policy Analysis

Amendments to the 2022 – 2026 financial plan are approved by CSWM Board resolution during the year and compiled into a financial plan amendment bylaw to be adopted by the Comox Valley Regional District Board later in the year.

Options

The Board as the following options:

1. Amend the 2022 financial plan for the gravel truck replacement and the scale software upgrade.
2. Not amend the 2022 financial plan and provide alternative direction.

Option 1 is recommended as the gravel truck is at the end of its service life and the scale software is in need of replacement and deemed a critical, high risk asset for the CSWM service. Deferral to the 2023 financial budgeting process will result in further delays in procurement. In particular for the gravel truck, there is a significant lead time for equipment, which poses a risk to the CSWM operation with direct impact to service levels.

Financial Factors

The original budget for the gravel truck was \$200,000 when it was first approved in the 2018 financial plan and the amount has been carried forward since. Consistent with cost escalations observed across the construction industry, the quotation for the gravel truck obtained in 2022 has risen by \$50,000 to \$250,000.

The original budget for the scale software was \$75,000 when it was approved in the 2021 financial plan and carried forward to 2022. The only compliant proposal was \$25,000 above budget. While there was only one compliant proposal in response to the scale software RFP, the grouping of the pricing was fairly tight, which suggests that even if staff were to re-initiate another competitive procurement process, it is unlikely to yield a lower value contract.

The total increase to the capital expenditure in 2022 is \$275,000 which includes the missed 2021 carry forward for the gravel truck and the additional costs to complete both procurement processes. This is to be funded by a corresponding transfer from the capital works reserve.

The projected ending reserve balances over the five year plan including the two proposed amendments is summarized in Table 1 below.

Table 1. 2022 - 2026 Ending Reserve Balances

ENDING BALANCE SUMMARY		2022	2023	2024	2025	2026
391 (189)	Future Expenditure Reserve	1,286,263	1,386,263	1,486,263	1,586,263	1,686,263
830	Capital Works Reserve	3,308,976	5,371,203	7,294,366	8,800,341	10,499,042
831	Engineered Landfill Reserve	182,599	182,599	182,599	182,599	182,599
893	Landfill Closure Reserve	3,224,262	3,494,262	3,419,262	4,098,262	4,648,262
		8,002,100	10,434,327	12,382,490	14,667,465	17,016,166

Legal Factors

If the Board does not approve the amendments, the CVRD reserves the right to reject any or all tenders/proposals.

Intergovernmental Factors

With the exception of Tahsis and Zeballos, solid waste from all other communities within the CSWM service area are consolidated for final disposal at the Comox Valley Waste Management Center. The gravel truck and the scale software are critical to the operation of the facility and their replacements/upgrades are necessary to ensure reliable service to the CSWM communities.

Interdepartmental Involvement

Both initiatives are being led by Engineering Services with support from:

- Financial Services for administration of the budget amendment; and
- Financial Service and IT for the implementation and ongoing support/administration of the new scale software.

Citizen/Public Relations

Not applicable.

Attachment Appendix A – 2018 – 2021 CSWM Capital Plan – Project No. 1054

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Project Number	1054	Title	Vehicle and Machinery - Capital	Lock Status	No
Asset Type	478 - Vehicles	Service	391 - Comox Strathcona Waste Management	Year Identified	2017
Start Date		Completion Date			
Manager		Partner			
Regions					
Description					
Comments					
Justification					

Scenario Details

Budget Year	2018	Name	1054 - Vehicle and Machinery - Capital: Main	Lock Status	No
Project Status	Amended Budget			Active	No
Description					
Comments					
Justification					

Annual Totals

Year	Total Expenditure	Total Funding Source	Difference
2018	440,000	440,000	-
2020	250,000	250,000	-
2021	450,000	450,000	-
2022	1,198,482	1,198,482	-
	2,338,482	2,338,482	-

Prior Year Comparison

Object	Percent Change	2017 Amount	2018 Amount
Funding Source			
145 - Transfer from Reserve	-	-	440,000
Total Funding Source		-	440,000
Expenditure			
478 - Vehicles	-	-	440,000
Total Expenditure		-	440,000

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Project Forecast

Object	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Funding Source										
145 - Transfer from Reserve	440,000	-	-	-	-	-	-	-	-	-
Total Funding Source	440,000	-	-	-	-	-	-	-	-	-
Percent Increase		(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expenditure										
478 - Vehicles	440,000	-	-	-	-	-	-	-	-	-
Total Expenditure	440,000	-	-	-	-	-	-	-	-	-
Percent Increase		(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Total	-	-	-	-	-	-	-	-	-	-

Budget Details

Objects	Comments	Object Subtotals	2018 Budget
Funding Source			
130R - Transfer from reserve			
145 - Transfer from Reserve	#830 Capital works reserve CVWMC truck replacement		440,000
Total			440,000
Total Funding Source			440,000
Expenditure			
050 - Capital projects and equipment			
478 - Vehicles	CVWMC gravel truck replacement	200,000	
478 - Vehicles	CVWMC roll off truck replacement	240,000	
Total			440,000
Total Expenditure			440,000
Net Total			-

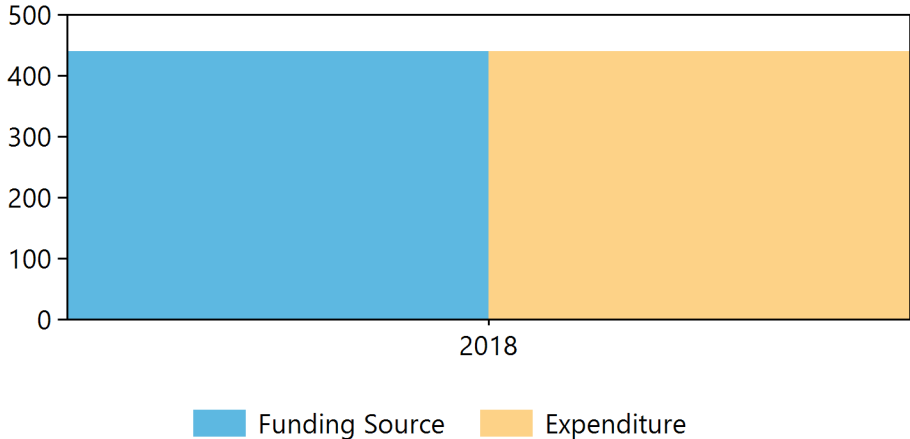
Budget Multi Year Forecast Graph

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Expenditure vs Funding Source (In Thousands)



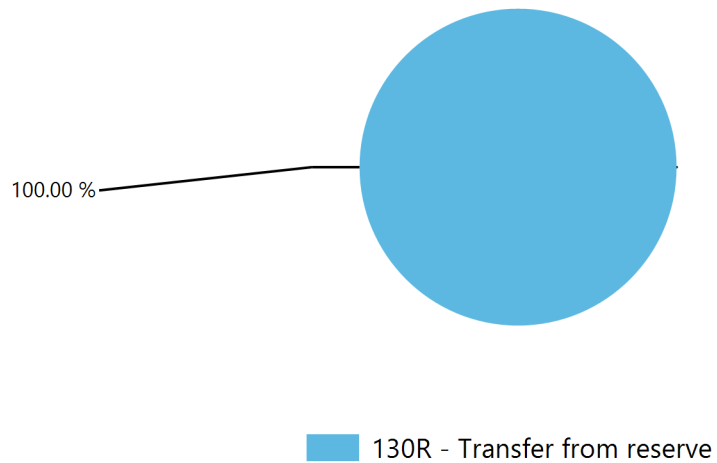
Budget Pie Charts

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Funding Source

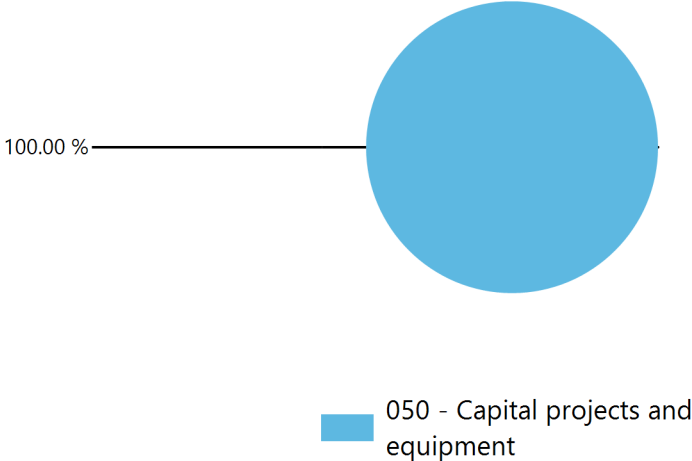


Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Expenditure



Statistical Forecasts

No data found for the selected parameters and user's security permissions.

Statistical Prior Year Comparison

No data found for the selected parameters and user's security permissions.

Statistical Details

No data found for the selected parameters and user's security permissions.

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Ranks

No data found for the selected parameters and user's security permissions.

Operating Impact

No data found for the selected parameters and user's security permissions.

Project Milestones

No data found for the selected parameters and user's security permissions.

Related Projects

No data found for the selected parameters and user's security permissions.

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Location

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Project Number	1054	Title	Vehicle and Machinery - Capital	Lock Status	No
Asset Type	478 - Vehicles	Service	391 - Comox Strathcona Waste Management	Year Identified	2017
Start Date		Completion Date			
Manager		Partner			
Regions					
Description					
Comments					
Justification					

Scenario Details

Budget Year	2019	Name	1054 - Vehicle and Machinery - Capital: Main	Lock Status	No
Project Status	Amended Budget			Active	No
Description					
Comments					
Justification					

Annual Totals

Year	Total Expenditure	Total Funding Source	Difference
2018	440,000	440,000	-
2020	250,000	250,000	-
2021	450,000	450,000	-
2022	1,198,482	1,198,482	-
	2,338,482	2,338,482	-

Prior Year Comparison

Object	Percent Change	2018 Amount	2019 Amount
Funding Source			
145 - Transfer from Reserve	-	440,000	-
Total Funding Source		440,000	-
Expenditure			
478 - Vehicles	-	440,000	-
Total Expenditure		440,000	-

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Project Forecast

Object	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Funding Source										
145 - Transfer from Reserve	-	200,000	-	-	-	-	-	-	-	-
Total Funding Source	-	200,000	-	-	-	-	-	-	-	-
Percent Increase		100.00%	(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expenditure										
478 - Vehicles	-	200,000	-	-	-	-	-	-	-	-
Total Expenditure	-	200,000	-	-	-	-	-	-	-	-
Percent Increase		100.00%	(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Total	-	-	-	-	-	-	-	-	-	-

Budget Details

Objects	Comments	Object Subtotals	2019 Budget
Funding Source			
130R - Transfer from reserve			
145 - Transfer from Reserve	#830 Capital works reserve CVWMC truck replacement		-
Total			-
Total Funding Source			-
Expenditure			
050 - Capital projects and equipment			
478 - Vehicles	2018 cfwd - CVWMC gravel truck replacement		-
478 - Vehicles	CVWMC roll off truck replacement		-
Total			-
Total Expenditure			-
Net Total			-

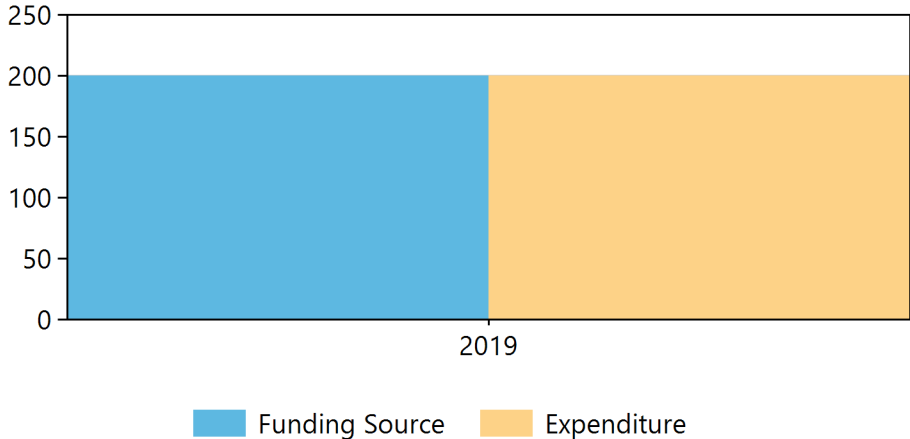
Budget Multi Year Forecast Graph

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Expenditure vs Funding Source (In Thousands)



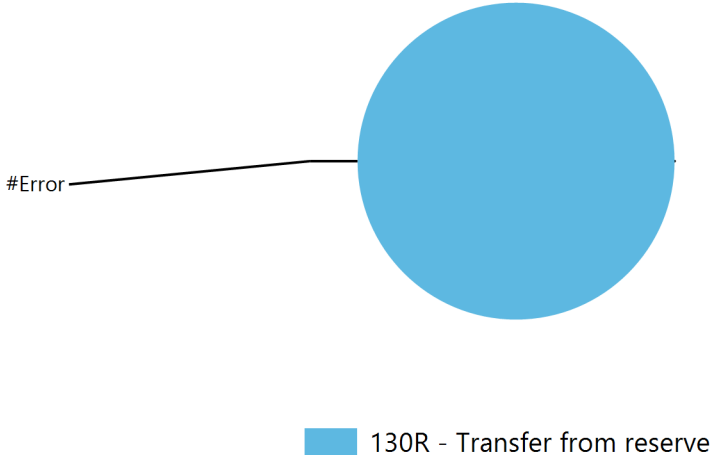
Budget Pie Charts

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Funding Source

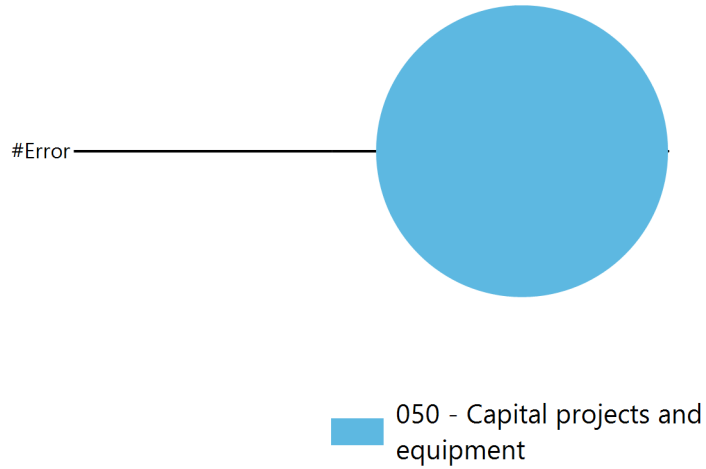


Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Expenditure



Statistical Forecasts

No data found for the selected parameters and user's security permissions.

Statistical Prior Year Comparison

No data found for the selected parameters and user's security permissions.

Statistical Details

No data found for the selected parameters and user's security permissions.

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Ranks

No data found for the selected parameters and user's security permissions.

Operating Impact

No data found for the selected parameters and user's security permissions.

Project Milestones

No data found for the selected parameters and user's security permissions.

Related Projects

No data found for the selected parameters and user's security permissions.

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Location

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Project Number	1054	Title	Vehicle and Machinery - Capital	Lock Status	No
Asset Type	478 - Vehicles	Service	391 - Comox Strathcona Waste Management	Year Identified	2017
Start Date		Completion Date			
Manager		Partner			
Regions					
Description					
Comments					
Justification					

Scenario Details

Budget Year	2020	Name	1054 - Vehicle and Machinery - Capital: Main	Lock Status	Yes
Project Status	Adopted Budget			Active	No
Description					
Comments					
Justification					

Annual Totals

Year	Total Expenditure	Total Funding Source	Difference
2018	440,000	440,000	-
2020	250,000	250,000	-
2021	450,000	450,000	-
2022	1,198,482	1,198,482	-
	2,338,482	2,338,482	-

Prior Year Comparison

Object	Percent Change	2019 Amount	2020 Amount
Funding Source			
145 - Transfer from Reserve	-	-	250,000
Total Funding Source		-	250,000
Expenditure			
478 - Vehicles	-	-	250,000
Total Expenditure		-	250,000

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Project Forecast

Object	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Funding Source										
145 - Transfer from Reserve	250,000	200,000	-	-	-	-	-	-	-	-
Total Funding Source	250,000	200,000	-	-	-	-	-	-	-	-
Percent Increase		(20.00%)	(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expenditure										
478 - Vehicles	250,000	200,000	-	-	-	-	-	-	-	-
Total Expenditure	250,000	200,000	-	-	-	-	-	-	-	-
Percent Increase		(20.00%)	(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Total	-	-	-	-	-	-	-	-	-	-

Budget Details

Objects	Comments	Object Subtotals	2020 Budget
Funding Source			
130R - Transfer from reserve			
145 - Transfer from Reserve	#830 Capital works reserve CVWMC truck replacement		250,000
Total			250,000
Total Funding Source			250,000
Expenditure			
050 - Capital projects and equipment			
478 - Vehicles	2018 cfwd - CVWMC gravel truck replacement	-	
478 - Vehicles	CVWMC roll off truck replacement	250,000	
Total			250,000
Total Expenditure			250,000
Net Total			-

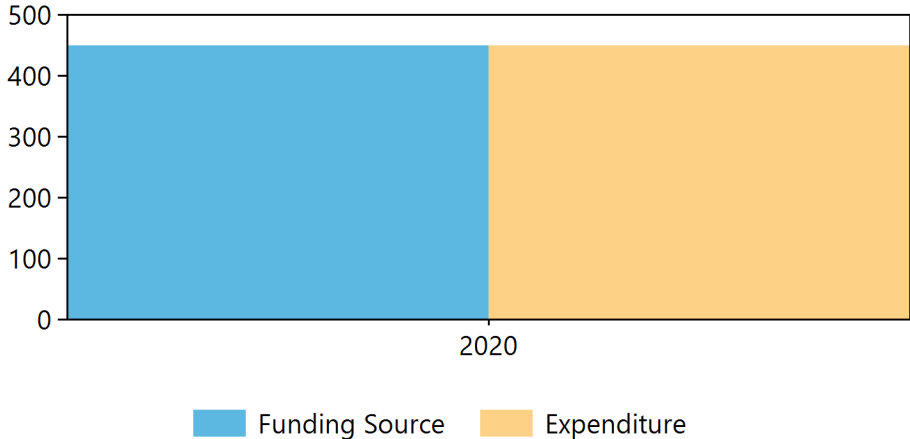
Budget Multi Year Forecast Graph

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Expenditure vs Funding Source (In Thousands)



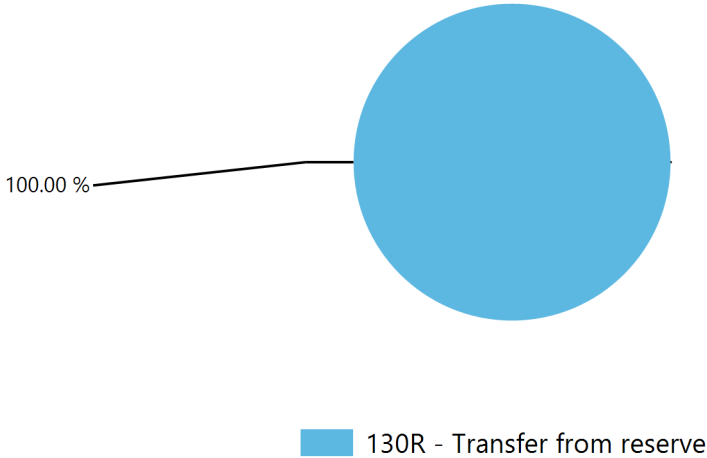
Budget Pie Charts

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Funding Source

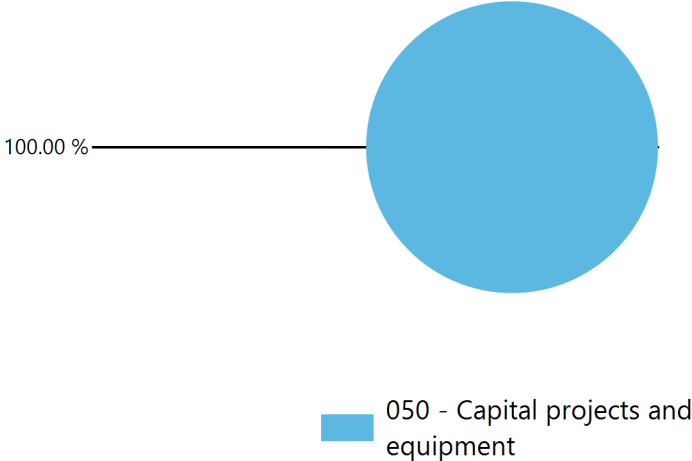


Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Expenditure



Statistical Forecasts

No data found for the selected parameters and user's security permissions.

Statistical Prior Year Comparison

No data found for the selected parameters and user's security permissions.

Statistical Details

No data found for the selected parameters and user's security permissions.

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Ranks

No data found for the selected parameters and user's security permissions.

Operating Impact

No data found for the selected parameters and user's security permissions.

Project Milestones

No data found for the selected parameters and user's security permissions.

Related Projects

No data found for the selected parameters and user's security permissions.

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Location

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Project Number	1054	Title	Vehicle and Machinery - Capital	Lock Status	No
Asset Type	478 - Vehicles	Service	391 - Comox Strathcona Waste Management	Year Identified	2017
Start Date		Completion Date			
Manager		Partner			
Regions					
Description					
Comments					
Justification					

Scenario Details

Budget Year	2021	Name	1054 - Vehicle and Machinery - Capital: Main	Lock Status	No
Project Status	Amended Budget			Active	No
Description					
Comments					
Justification					

Annual Totals

Year	Total Expenditure	Total Funding Source	Difference
2018	440,000	440,000	-
2020	250,000	250,000	-
2021	450,000	450,000	-
2022	1,198,482	1,198,482	-
	2,338,482	2,338,482	-

Prior Year Comparison

Object	Percent Change	2020 Amount	2021 Amount
Funding Source			
145 - Transfer from Reserve	80%	250,000	450,000
Total Funding Source	80%	250,000	450,000
Expenditure			
478 - Vehicles	80%	250,000	450,000
Total Expenditure	80%	250,000	450,000

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Project Forecast

Object	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Funding Source										
145 - Transfer from Reserve	450,000	-	-	-	-	-	-	-	-	-
Total Funding Source	450,000	-	-	-	-	-	-	-	-	-
Percent Increase		(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expenditure										
478 - Vehicles	450,000	-	-	-	-	-	-	-	-	-
Total Expenditure	450,000	-	-	-	-	-	-	-	-	-
Percent Increase		(100.00%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Total	-	-	-	-	-	-	-	-	-	-

Budget Details

Objects	Comments	Object Subtotals	2021 Budget
Funding Source			
130R - Transfer from reserve			
145 - Transfer from Reserve	#830 Capital works reserve CVWMC truck replacement		450,000
Total			450,000
Total Funding Source			450,000
Expenditure			
050 - Capital projects and equipment			
478 - Vehicles	2018 cfwd - CVWMC gravel truck replacement	200,000	
478 - Vehicles	Cfwd 2020 - CVWMC roll off truck replacement	250,000	
			450,000
Total			450,000
Total Expenditure			450,000
Net Total			-

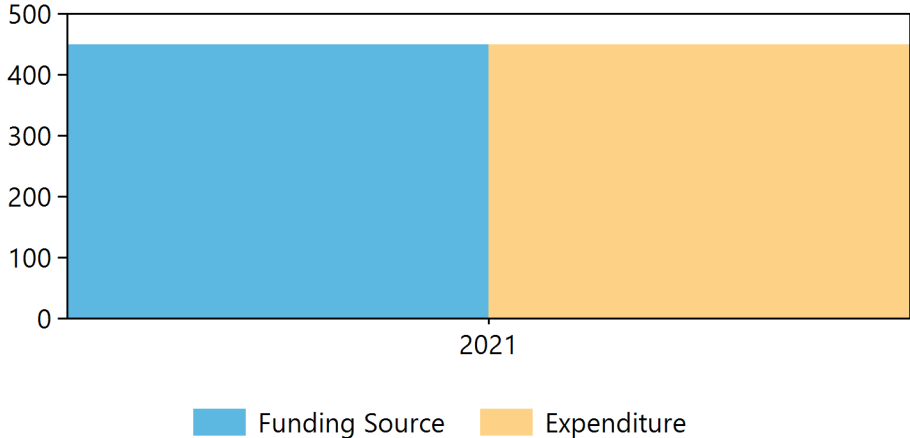
Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Budget Multi Year Forecast Graph

Expenditure vs Funding Source (In Thousands)



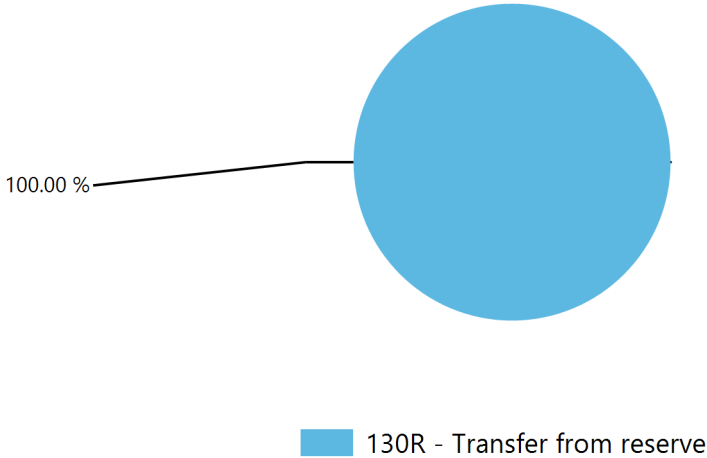
Budget Pie Charts

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Funding Source

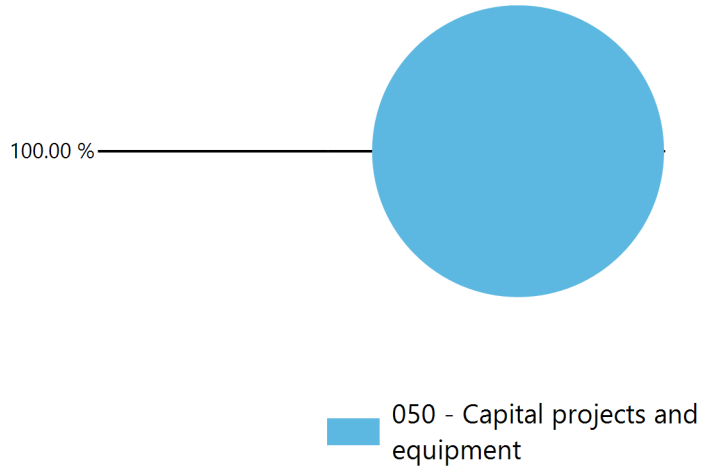


Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Expenditure



Statistical Forecasts

No data found for the selected parameters and user's security permissions.

Statistical Prior Year Comparison

No data found for the selected parameters and user's security permissions.

Statistical Details

No data found for the selected parameters and user's security permissions.

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Ranks

No data found for the selected parameters and user's security permissions.

Operating Impact

No data found for the selected parameters and user's security permissions.

Project Milestones

No data found for the selected parameters and user's security permissions.

Related Projects

No data found for the selected parameters and user's security permissions.

Project Scenario Summary

1054 - Vehicle and Machinery - Capital

Report data returned based on the user's security permissions.

Location