



REPORT

To: Solid Waste Committee

Report Number: ENV-SWC-003

From: Paulo Eichelberger, GM of Environmental Services

Date: June 4, 2020

Subject: Chetwynd Landfill Phase B Closure Update

RECOMMENDATION:

That the report providing an update of the status of the Chetwynd Landfill Phase B Closure retender process be received for information.

BACKGROUND/RATIONALE:

In 2019, the Chetwynd Landfill Phase B Closure project was awarded for \$1,428,773. While the project was underway, the prime construction contractor defaulted, prompting a claim on the performance bond for the contract by the Regional District.

Bonding Process

In the event of a failure to complete the work in a project, bonds are in place to ensure that the work continues should a company become unable to perform the work. When a claim is made on the bond, the bonding company is responsible to ensure that the project work previously awarded to their client is completed. To do this, the bonding company has the option to retender for suitable bidders for completing the project.

To complete the project, it was decided that two contracts would be established:

1. Contract #1 – Earthworks
 - a. All outstanding line items from the original contract (minus the liner install).
 - b. This contract was retendered.
2. Contract #2 – Liner Installation
 - a. Installation of the liner and landfill gas piping.
 - b. Sole-source to the subcontractor under the previous prime contractor.

Through discussions between the project engineer, Sperling Hansen (SHA), and the previous liner subcontractor, Western Tank & Lining (WTL), WTL confirmed that they would hold their original contract price for installation of the liner materials in 2020 (detailed in Financial Considerations). Therefore, Contract #2 was kept separate as WTL had already provided the material which remains on site at the Chetwynd Landfill.

Retendering Process

The original prime contractor's bonding company, Trisura, engaged SHA to conduct the retendering process for Contract #1. The process ran as follows:

- a. SHA and Trisura ran the retendering process on BCBid for three weeks until 4pm on April 17, 2020. 8 bids were received, which were reviewed by Trisura and SHA and discussed with PRRD staff. Of the Bids, Mass Construction was the lowest cost provider that met the qualifications of the retendering process.
- b. Through SHA, Trisura recommended Mass Construction to complete the project work under Contract #1 for a cost of \$466,501.40 (excl. GST) and thus provided notice of award.
- c. As a result, Mass Construction, will enter into a new contract with the PRRD for the works listed in Contract #1.
- d. WTL will enter into contract with the PRRD for the works listed in Contract #2.
- e. Mass Construction (via Contract #1) and WTL (via Contract #2) will execute the remainder of the original Phase B Closure project work originally held by Frontline.

SHA will perform quality assurance and supervision for both contracts in order to complete the project. The PRRD is responsible for the cost of the work up to the original contract price of \$1,428,773 and any overages will be paid out by Trisura to a maximum of the bond amount of \$714,387. Further detail on costs are detailed in Financial Considerations.

It is expected that the project will be substantially completed by August 15, 2020, with total completion achieved by September 30, 2020.

ALTERNATIVE OPTIONS:

1. That the Solid Waste Committee provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):**Contract #1 Bids-as provided by Trisura and SHA**

	Tenderers	Sum Quoted in the Tender (Including Provisional Items and Excluding GST)	Sum Adjusted as per the Quoted unit Prices (Including Provisional Items and Excluding GST)
1	Dave Moore Trucking Ltd	\$ 290,323.41	\$ 292,223.41
2	Pavlis Trucking Ltd.	\$ 453,619.25	\$ 453,620.00
3	Mass Construction Ltd.	\$ 466,501.40	\$ 466,501.40
4	Tervita Corporation	\$ 543,368.79	\$ 543,368.55
5	Twin Rivers Developments Ltd.	\$ 937,745.47	\$ 937,742.42
6	S. Young Enterprises Ltd.	\$ 962,800.08	\$ 962,816.33
7	Green Leaf Enterprises Ltd. o/a OK E	\$ 1,187,174.56	\$ 1,187,174.30
8	Enviro-Ex Contracting Ltd.	\$ 1,460,382.75	\$ 1,460,382.75

The 8 bids received ranged in price from \$292,000 to \$1,460,000. The 3rd lowest bidder, Mass Construction, was the lowest cost proponent that met all tender qualifications and was therefore the successful bidder for Contract #1.

Project Status and Costs

Under the original construction contract, the cost for the project was \$1,428,773. Approximately \$360,280 of work has been completed on the project, with \$1,068,493 remaining. Cost breakdown is as follows:

Party	Cost	Description
Frontline/ Trustee	\$360,280	Works completed to date
Mass Construction	\$466,501	Contract #1 work, summer 2020
Western Tank & Lining	\$278,754	Contract #2 work, summer 2020
Estimated total	\$1,105,355	

The difference between original and estimated total cost is \$323,418 in surplus, which will offset retendering and construction supervision costs for the project.

COMMUNICATIONS CONSIDERATION(S):

None identified.

OTHER CONSIDERATION(S):

Conditions of the existing contract bond allow the Surety Company (Trisura) four options to ensure that the project is completed. As stated in the bond, these are:

1. remedy the default, or;
2. complete the Contract in accordance with its terms and conditions or;
3. obtain a bid or bids for submission to the Obligee (PRRD) for completing the Contract in accordance with its terms and conditions and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arranged under this paragraph) sufficient funds to pay to complete the Principal's obligations in accordance with the terms and conditions of the Contract and to pay those expenses incurred by the Obligee as a result of the Principal's default relating directly to the performance of the work under the Contract, less the balance of the Contract price; but not exceeding the Bond Amount. The balance of the Contract price is the total amount payable by the Obligee to the Principal under the Contract, less the amount properly paid by the Obligee to the Principal, or;
4. pay the Obligee the lesser of (1) the Bond Amount or (2) the Obligee's proposed cost of completion, less the balance of Contract price.

As mentioned earlier, Trisura utilized option 3 – retender the work to find the “lowest (cost) responsible bidder.” Because of this option, Trisura is responsible for bids and contractor selection. The PRRD does not directly award the work for this project.