

To: Warden and Members of County Council

From: Director of Public Works

Contract Award – Landfill Waste Compactor

RECOMMENDATIONS

1. That County Council award a contract to the lowest compliant bidder, SMS Equipment, in the amount of \$1,488,926 (excluding HST) for the purchase of one replacement landfill waste compactor;
2. And further, that County Council authorize the Chief Administrative Officer and the Director of Public Works to sign all documents related thereto.

REPORT HIGHLIGHTS

- The purpose of this report is to obtain Oxford County Council approval to award a contract and proceed with the procurement of a new landfill waste compactor.
- The new landfill waste compactor is replacing an existing compactor that is coming to the end of its useful service life and will be utilized at the Oxford County Waste Management Facility with an anticipated service life of ten years.
- The new waste compactor has been upsized to match the capacity of the County's other large waste compactor (currently in service) as approved in the 2023 Business Plan and Budget (NI 2023-02) and will provide full landfill operational redundancy consistent with best management practices while achieving desired compaction rates necessary to maximize the capacity and useful life of the landfill site.
- The anticipated in-service date of the new compactor is late 2024.

Implementation Points

Upon approval of the recommendations contained in this report, staff will finalize the procurement of one landfill waste compactor with the successful vendor.

The anticipated lead time for delivery of the new landfill compactor is the 4th quarter of 2024. Following the delivery of the compactor, fleet staff will perform mandatory outfitting that involves adding GPS system, fueling system and 2-way radio to the landfill compactor.

Financial Impact

The approved 2023 budget for the landfill compactor is \$1,984,000 and SMS Equipment’s base bid is \$1,348,600 (excluding HST). In addition to the base bid price, staff are recommending that two provisional items be included in the award as detailed in Table 1. The total estimated cost of \$1,517,676 (non-refundable HST included) is within the approved budget.

Table 1: Funding Summary – Landfill Waste Compactor

Description	Amount
SMS Equipment Supplied – 2023 Bomag BC873RB-5 *	\$1,348,600
Provisional Item No.1 – Extended 5 year/10000 Hour Full Machine Armour Warranty	103,221
Provisional Item No.2 – Automatic Fire Suppression System	37,105
Total Award (excl. HST)	\$1,488,926
Projected Outfitting Costs (GPS, fuel, 2 way radio)	2,500
Subtotal	\$1,491,426
Non-Refundable HST (1.76%)	26,250
TOTAL ESTIMATED COST	\$1,517,676
2023 New Initiative (NI 2023-02) Approved Budget	1,984,000
Budget Surplus	\$466,324

* Includes base warranty of 1 year / 2000 hours







Further to this base price, the bid submission by SMS Equipment included an estimated trade in value of \$110,000 for the existing compactor. An estimated hour count to the end of 2024 was provided, and trade in value will be re-evaluated and validated at time of delivery of the new unit based on the actual condition of the existing unit. The final trade in value will be returned to the Fleet Reserve.

The estimated funding sources for the Landfill Waste Compactor award are \$802,600 from the Fleet Reserve (to be adjusted based on actual contributions to the reserve for the existing unit to the actual receipt date, along with any adjustments to the trade in value based on actual condition). The remaining funding will be from the Landfill and Waste Diversion Reserve Fund, which is currently estimated at \$715,076.

Communications

The landfill compactor was publicly tendered and closed on March 22, 2023. Upon approval of this report and award of the contract, the tender results will be displayed publicly on the *Bids&Tenders* online portal and all bidders will be notified of the results.

Strategic Plan (2020-2022)

					
<i>WORKS WELL TOGETHER</i>	<i>WELL CONNECTED</i>	<i>SHAPES THE FUTURE</i>	<i>INFORMS & ENGAGES</i>	<i>PERFORMS & DELIVERS</i>	<i>POSITIVE IMPACT</i>
		3.iii.		5.ii.	

DISCUSSION

Background

The Waste Management Division currently utilizes two compactors for landfilling operations at the active tipping face during daily high volume periods and to provide redundancy when one of the units is out of service for maintenance and/or repair. These two units are essential to daily landfilling operations in order to achieve regulatory requirements and desired compaction rates to maximize the capacity and useful life of the landfill site.

Historically, the County has utilized a large capacity compactor along with a smaller unit for landfilling operations and, in the past, the smaller CAT 816 model (Unit 722) has performed well. However, the current CAT 816 model (Unit 722) is nearing the end of its useful service life and has been susceptible to overheating and mechanical failure since it is a lighter duty unit and now underperforms in achieving desired compaction levels. Maintenance and repair records for Unit 722 validate that the ongoing equipment issues are substantially extending beyond normal routine repair and maintenance needs.

As part of the 2023 Business Plan and Budget, New Initiative NI 2023-02 was approved to upsize the capacity of the replacement waste compactor and undertake early procurement in advance of the scheduled replacement date (2025) in order to better meet the needs of the landfilling operations.

Comments

Evaluation of tender submissions were heavily based on meeting tender specifications and serviceability of equipment to optimize landfill operational performance and assure any future downtime of equipment does not affect landfill regulatory compliance.

Upon tender close, there were three bid submissions received in response to tender documents that were posted on the County’s electronic bidding system. Following staff evaluation, one bid submission (Hot Mix Aggregate Equipment Company of Canada) was deemed non-compliant as it did not meet bid requirements as outlined by the tender documents, while two other bids (SMS Equipment Inc., Toromont CAT) were deemed complaint. A summary of the compliant (base equipment) bid submissions received are outlined in Table 2.

Table 2: Summary of Bid Submissions

Bidder	Base Bid Amount (HST Excluded)
SMS Equipment Inc. 2023 Bomag BC873RB-5	\$1,348,600
Toromont CAT 2024 Caterpillar 826K	\$1,463,892

Staff have reviewed the submissions and confirmed that the lowest compliant bid received from SMS Equipment Inc., in the base bid amount of \$1,348,600 (excluding HST), represents good value for the capital equipment. SMS Equipment Inc. has recent experience servicing Bomag landfill compactors through the provision of timely part supplies as well as the replacement of major parts.

Conclusions

Staff recommends that the Contract be awarded to SMS Equipment Inc. for the total cost of \$1,488,926 (excluding HST) which is within the approved budgeted amount.

SIGNATURES

Report Author:

Original signed by

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Departmental Approval:

Original signed by

David Simpson, P.Eng., PMP
Director of Public Works

Approved for submission:

Original signed by

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Chief Administrative Officer