

Report to Council



Date: July 05, 2012
File: 0000-00-00
To: City Manager
From: Mike Gosselin, Acting Manager, Utility Services, Civic Operations
Subject: Wastewater Bio-Solids Hauling Services Tender

Recommendation:

THAT Council awards the contract for Wastewater Bio-Solids Hauling, Tender T12-047 to Grassmick's Excavating LTD in the amount of \$608,028.75 (*excluding the HST*) for a three year term;

AND THAT the Mayor and City Clerk be authorized to execute the contract on behalf of the City of Kelowna;

AND FURTHER THAT the 2012 Financial Plan be amended by increasing the contract hauling budget by \$25,000 with funding provided by existing Wastewater Utility revenues.

Purpose:

To obtain Council approval for the award of the bio-solids hauling contract and to amend the 2012 Financial Plan for the cost increase this year.


Background:

Bio-solids are transported by contract using city owned specialty trailers from the City's Waste Water Reclamation Facilities at 951 Raymer Avenue to 551 Commonage Road, Vernon BC. This is the site of our joint bio-solids composting facility.

The cost of wastewater bio-solids hauling service have substantially increased. The three year cost increase will be approximately \$199,594.50 over the term and will require an operating budget increase. Transportation Services conducted a desktop business case review to determine the feasibility of doing this work in-house. To complete the work would require the purchase, or lease, of a tractor to haul the City trailers along with the salaries for staff operators. The result of that review was that keeping the service as a third party contract is the most cost effective approach to the provision of this service. A substantial portion of the proposed contract (37%) represents fuel costs.

Internal Circulation:

Keith Grayston, Director, Financial Services
Angie Thiessen, Financial Planning Manager
Alf Soros, Fleet Services Manager
Maureen Loft, Purchasing Manager



Financial/Budgetary Considerations:

Additional funding required for this contract will reduce the Wastewater Utility's 2012 projected surplus of \$2.3 Million.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

External Agency/Public Comments:

Personnel Implications:

Communications Comments:

Submitted by:



Mike Gosselin, Wastewater Treatment Supervisor

Approved for inclusion:



Joe Creron, Director, Civic Operations

cc: General Manager, Community Services
Transportation Services Manager
Civic Operations Financial Analyst