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**TO:** Solid Waste Management Select Committee    **MEETING:** September 10, 2020

**FROM:** Jane Hamilton  
Superintendent,  
Disposal Operations    **FILE:** 5365-02

**SUBJECT:** Contract Award-Rebuild Landfill Compactor

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### **RECOMMENDATION**

That the Regional District Board of Nanaimo approve the awarding of a contract to Finning Canada for Option 1 to rebuild a heavy equipment compactor in the amount of \$417,073 (& GST) with new engine if available, or \$419,952 (& GST) with rebuilt engine.

### **SUMMARY**

The 2020 Solid Waste Services approved budget includes \$420,000 to rebuild an existing CAT826 Landfill Compactor for waste processing. On June 23, 2020 the Regional District of Nanaimo (RDN) Board directed staff to proceed with procurement. A Request for Proposals (RFP) was issued and was publicly advertised on the RDN and BC Bid websites. The RFP requested options to either rebuild our existing compactor or provide a similar rebuilt compactor and take our existing compactor as a trade. Vendors were encouraged to submit more than one proposal for consideration. Seven responses were received by the July 31, 2020 closing date from two vendors.

Finning Canada's Option 1 submission is the highest ranked and lowest cost proposal and meets the technical specifications within the published budget.

### **BACKGROUND**

The heavy equipment compactor is the key piece of equipment used for waste processing at the landfill and is used for approximately 2,000 hours per year. The general service life of the machine is between 10,000 to 15,000 hours (5-7 years). The RDN currently has two compactors of the same model, one serves as the primary unit and the second as a backup. The unit being rebuilt is the current back up unit and has over 14,000 hours. Following rebuild, it will serve as the primary unit until the next compactor replacement projected in 2026.

The RFP for the rebuilt compactor identified rebuild certification standards and warranty as well as features such as cab-air filtration systems, frame hours, auto-greasers and delivery time. A cost option to provide a fire suppression system, if not already on the machine, was requested.

The RFP closed on July 31, 2020 and seven submissions were received; four from Finning Canada; and three from Marcel Equipment. Proposals were reviewed against the evaluation

criteria provided in the RFP. It was determined that the proposal with the highest ranking score was Option 1 from Finning Canada, who proposed to rebuild our existing compactor. Features included in the technical evaluation that differentiated the two vendors included:

- different levels of warranty coverage; Finning’s included new parts and labour and an additional year of coverage, whereas Marcel’s included coverage only on parts and an additional 6-months of coverage; and
- Finning’s proposal included a major gear-box upgrade and an inventory of Caterpillar Original Equipment manufactured (OEM) parts that will be replaced, and Marcel’s proposal included inspection of parts during the rebuild and replacement only if necessary.

The proposals were evaluated based on 35% Technical and 65% Financial and the results are summarized in the table below:

Evaluation	FINNING CANADA				MARCEL EQUIPMENT	
	Option 1	Option 2	Option 3	Option 4	Option 1	Option 3
<b>Total Score/100</b>	97	95.6	94.6	92.6	80.9	81.2
<b>Total Cost</b>	\$417,073	\$419,696	\$419,913	\$419,950	\$484,800	\$458,050

Of the seven submissions, six proposals met all of the technical specifications; however, only the four proposals received from Finning were within the published budget. Finning’s four proposals ranged in price from \$417,075 to \$419,952 based on alternative rebuild options such as component replacement versus refurbishing and supply of a 60% discounted new engine if still available at contract award time. Options 1-3 include the new discounted engine; however, if unavailable upon award, Option 4 from Finning includes suitable engine component refurbishments instead of new. If the discounted new engine is no longer available, the Finning Option 4 is within budget and acceptable.

Subject to the rebuild agreement, the delivery is expected to take approximately 12 weeks to complete.

**ALTERNATIVES**

Alternatives in proceeding with the compactor replacement are as follows:

- 1) That the Regional District Board of Nanaimo approve the awarding of a contract to Finning Canada for Option 1 to rebuild a heavy equipment compactor in the amount of \$417,073 (& GST) with new engine if available, or \$419,952 (& GST) with rebuilt engine.
- 2) Provide alternate direction.

**FINANCIAL IMPLICATIONS**

Solid Waste Services approved 2020 budget and Solid Waste Asset Management Plan includes an allocation of \$420,000 for rebuilding the compactor.

## STRATEGIC PLAN IMPLICATIONS

Environmental Stewardship - Protect and enhance the natural environment, including land, water, and air quality for future generations.

This equipment purchase is consistent with key priorities of the 2016-2020 Strategic Plan in the following areas:

- *Focus on service and organizational excellence.* The landfill serves many commercial and regional haulers and compact conditions and efficient service is valued.
- *Focus on the environment.* Ensuring proper compaction is a regulatory requirement due to the potential environmental impact of poorly compacted waste.



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August 14, 2020

Reviewed by:

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- K. Felker, Purchasing Manager, Finance
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