

**Item No. 10.1.3**  
**Halifax Regional Council**  
**February 8, 2011**

**TO:** Mayor Kelly and Members of Halifax Regional Council

Original Signed by 

**SUBMITTED BY:**

\_\_\_\_\_  
Wayne Anstey, Acting Chief Administrative Officer

Original Signed by 

\_\_\_\_\_  
Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** January 21, 2011

**SUBJECT:** Award – RFP No. 10-332, Household Hazardous Waste Services

**ORIGIN**

The Municipality's Solid Waste Resource Management System and the expiry on April 30, 2011, of HRM's existing contract for household hazardous waste services which commenced in May, 2007.

**RECOMMENDATION**

It is recommended that Halifax Regional Council award RFP No. 10-332, Household Hazardous Waste Services, to the highest scoring proponent, Atlantic Industrial Services, at the unit and other pricing as outlined in their response to the RFP for a total estimated cost of \$1,401,318.76 (net HST included) over a four year period commencing May 1, 2011, with funding from Operating Account # R334 6399 as outlined in the Budget Implications section of this report.

## **BACKGROUND**

The Municipality provides a residential depot service for Household Hazardous Waste (HHW) located at 20 Horseshoe Lake Drive, Bayers Lake Business Park, operated on scheduled Saturdays throughout the year. The program also includes mobile HHW depot events as scheduled by HRM. The program receives HHW items such as household toilet and drain cleaners, bleaches, automobile batteries, paints, solvents, oil, gasoline, propane tanks, antifreeze and pesticides.

## **DISCUSSION**

### **Scope of Services:**

Request For Proposals No. 10-332 encompasses operation of the HHW Depot including mobile depot events and respondents were requested to provide all labour, equipment and materials needed to receive, identify, sort, process, consolidate, bulk, package, transport and manage the HHW materials. Reuse and recycling of materials was requested in the management of materials where possible. Environmental monitoring of the site is included in the contract. The length of contract is four years (with an option for a fifth year at HRM's sole discretion).

Proponents were requested to provide unit pricing and packaging allocation for the typical average volume and categories of materials received at the HHW Depots. The packaging units used for the various materials are generally 75 L lab packs, 205 L bulk drums, 300 L cages for paint, 350 L totes, or per item or kg. Labour/personnel costs, environmental monitoring costs and mobile depot event labour/set-up costs were identified separately. Proponents provided first year costs and any percentage increases in cost components over the contract period (percentage increases in comparison to the previous year of the contract).

Staff issued and posted to HRM Web site, Request For Proposals No. 10-332 for Household Hazardous Waste Services on November 18, 2010, with closing on December 10, 2010.

### **RFP Responses:**

Proposals were received from the following firms:

Atlantic Industrial Services  
Clean Harbors  
Newalta

The RFP was scored using a two envelope process. Envelope one is the technical component of the RFP (e.g. capability, permits/insurance/bonding, work plan, safe procedures, methodology, etc.). Envelope two consists of the cost proposal for the components of this RFP. Only those proponents that received 75% (90 points) or better on the technical proposal (maximum score 120 points) from envelope one had their cost proposal (envelope two) opened and evaluated. The evaluation was facilitated by Procurement staff, and a team of three Solid Waste Resources'

staff who separately and independently scored the submissions. All proponents scored more than 75% (90 points) on their technical proposals thus allowing the opening of the cost component of each of their submissions.

The total score is the basis of the recommendation and award. The total points rankings are provided in the following Table 1:

**Table 1 – Summary of Proposal Scoring:**

<b>Proponent</b>	<b>Total Score Max. (300)</b>
Atlantic Industrial Services	280.5 *
Newalta	218.6
Clean Harbors	210.8

\* Recommended Proponent.

Details of scoring are shown in Appendix A (Table 2).

For the information of Council, and by way of example only, cost comparisons for receiving and processing the sample average list of materials received per day using the unit prices requested in the RFP, personnel/labour costs for the permanent depot, environmental monitoring and mobile depot labour/set-up and mobile management costs for 4 events per year (for average # of cars per event) are provided in Table 3 below:

**Table 3 – Cost Comparisons for Components**

<b>Proponents (Average Material Stream 44 days)</b>	<b>4 Years Management  Cost</b>	<b>4 Years Personnel/Labour  Cost</b>	<b>4 Years Environmental Monitoring:  Cost</b>	<b>4 Years Mobile Depots Set up 4/yr.: Cost</b>	<b>4 Years Management Mobiles 4/yr.:  Cost</b>	<b>4 Year Total</b>	<b>4 Year Total  Net HST Included</b>
<b>Atlantic Industrial Services</b>	\$921,941.89	\$272,026.13	\$41,216.08	\$24,729.65	\$83,812.90	\$1,343,726.64	<b>\$1,401,318.76</b>
<b>Newalta</b>	\$1,503,101.88	\$374,880.00	\$38,400.00	\$34,080.00	\$136,645.64	\$2,087,107.51	<b>\$2,176,560.94</b>
<b>Clean Harbors</b>	\$1,514,650.55	\$384,463.64	\$44,800.00	\$85,564.68	\$ 137,695.50	\$2,167,174.37	<b>\$2,260,059.46</b>

Note: Extending the unit prices and personnel/labour costs for the RFP sample materials stream over four years and forty-four operating days per year (average) and four mobile depot days per year gives costs, including environmental monitoring, as follows by way of example: Atlantic Industrial Services = **1,401,318.77**; Newalta = **\$2,176,560.93**; Clean Harbors = **\$2,260,059.47**. The actual cost for materials management and personnel/labour will depend on the amount and type of material managed and number of operating days, respectively. HST is included

Atlantic Industrial Services is the recommended proponent. They are both the highest scoring and lowest cost service provider responding to the RFP, yielding a decrease in costs over the current contract. The decrease in cost in the first year of the contract is approximately 10 %.

Table 3A: 1 Year Comparison

<b>Proponent</b>	<b>Materials Management Costs – Year 1 (Average Materials Stream - 44 Days)</b>	<b>Personnel/Labour Costs – Year 1 (44 Days)</b>	<b>Environmental Monitoring – Year 1</b>	<b>Mobile Depots Labour/Set-up (4 Events) – Year 1</b>	<b>Materials Man. Costs Mobiles: 4 Events per Year- Year 1</b>
Atlantic Industrial Services	\$223,685.00 (increases annually by 2%)	\$66,000.00 (increases annually by 2%)	\$10,000.00 (increases annually by 2%)	\$6000 (increases annually by 2%)	\$20,335.00 (increases annually by 2%)
Clean Harbors	\$367,490.20 (increases annually by 2%)	\$93,280.00 (increases annually by 2%)	\$11,200.00 (no annual increases)	\$20,760 (increases annually by 2%)	\$33,408.20 (increases annually by 2%)
Newalta	\$359,282.00 (increases annually by 3%)	\$93,720.00 (no annual increases)	\$9,600.00 (no annual increases)	\$8,520(no annual increases)	\$32,662.00 (increases annually by 3%)

### **BUDGET IMPLICATIONS**

Using the unit and other pricing of the recommended proponent (Atlantic Industrial) and extending the personnel/labour costs, materials management costs for the Average Materials Stream over four years and forty-four operating days per year (average) plus four mobile depot events per year gives estimated costs, including environmental monitoring of \$1,343,726.64 (see Appendix B, Table 4 - Four Year Estimated Costs). The actual cost for materials management and personnel/labour will depend on the amount and type of materials managed and number of operating days, respectively. Net HST is extra.

Funds for this program are available in the yearly Solid Waste Resources Operating Budget, account # R334 6399 with approved funds for 2010/11 of \$416,200.

### **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

### **ALTERNATIVES**

N/A

**ATTACHMENTS**

Appendix A – Table 2, Envelope 1 and Envelope 2 Scoring Matrix.

Appendix B – Table 4, Four Year Estimated Costs

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: \_\_\_\_\_  
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**Appendix A**

**Table 2 – RFP No. 10-332, HHW Services – Proposal Evaluation Criteria (Envelopes 1 & 2)**

Proposals were evaluated according to the following evaluation criteria with the relative weight/score indicated in each category:

<b>Evaluation Criteria</b>	<b>MAX Score</b>	<b>Atlantic Industrial</b>	<b>Newalta</b>	<b>Clean Harbors</b>
Proponent Qualifications/Credentials	10	8.2	7.8	8.5
Staff Credentials	10	8.0	8.0	8.0
Reference Projects	10	8.5	7.8	7.3
Permits/Insurance/Bonding	Pass/Fail	P	P	P
Depot Facility – General Components Use Plan	10	8.3	8.5	8.0
Depot Facility Management	70	60.0	62.2	58.8
Mobile Depots/Other	10	8.2	7.5	7.3
<b>Subtotal Technical Score 75% of 120=90points</b>	<b>120</b>	<b>101.2</b>	<b>101.8</b>	<b>97.9</b>
<b>Cost Proposal (Envelope 2)</b>				
Materials Management Costs	140	140.0	85.9	85.2
		\$921,941.89	\$1,503,101.88	\$1,514,650.55
Personnel/Labour Costs	20	20.0	14.5	14.2
		\$272,026.13	\$374,880.00	\$384,463.64
Environmental Monitoring Costs	10	9.3	10.0	8.6
		\$41,216.08	\$38,400.00	\$44,800.00
Mobile Depot Costs	10	10.0	6.4	4.9
		\$108,542.55	\$170,725.63	\$223,260.18
<b>Subtotal Cost Components Estimated for 4 Years</b>	<b>180</b>	<b>179.3</b>	<b>116.8</b>	<b>112.9</b>
<b>Net HST Included</b>		<b>\$1,401,318.76</b>	<b>\$2,176,560.94</b>	<b>\$2,260,059.46</b>
<b>TOTAL</b>	<b>300</b>	<b>280.5*</b>	<b>218.6</b>	<b>210.8 **</b>

**\* Recommended**

\*\* Clean Harbors also submitted some alternative packaging for specific material types for consideration in an alternative cost proposal including proposed use of 760 L “Flex Bins” for packaging flammable materials normally packaged in lab packs. Staff also reviewed this option and scored Clean Harbors with this alternative option and cost proposal submission resulting in a total score for Clean Harbors alternative bid of 248.1.

Appendix B

Table 4 - Four Year Estimated Cost

				ANNUAL							
Atlantic Industrial				YEAR 1	incr (+)	YEAR 2	YEAR 3	YEAR 4	TOTAL		
RFP Materials											
Management Costs				223,685.00	2%	228,158.70	232,721.87	237,376.31	921,941.89		
Personnel/Labour Costs				66,000.00	2%	67,320.00	68,666.40	70,039.73	272,026.13		
Environmental Monitoring Costs				10,000.00	2%	10,200.00	10,404.00	10,612.08	41,216.08		
Mobile Depots											
Labour/Set-up (Per Event)				4	1500	6,000.00	2%	6,120.00	6,242.40	6,367.25	24,729.65
Materials Man. Costs											
Mobiles: 4 per Year				4	5083.75	20,335.00	2%	20,741.70	21,156.53	21,579.66	83,812.90
Subtotal						326,020.00		332,540.40	339,191.21	345,975.03	1,343,726.64
Net HST portion				0.04286		13,973.22		14,252.68	14,537.74	14,828.49	57,592.12
TOTAL						339,993.22		346,793.08	353,728.94	360,803.52	1,401,318.76