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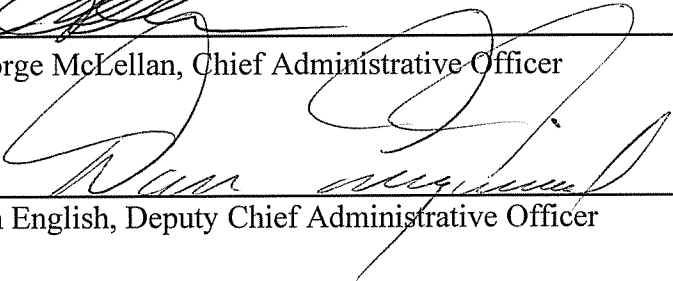
PO Box 1749  
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Halifax Regional Council  
March 4, 2003

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

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

**DATE:** February 25, 2003

**SUBJECT:** **One Year Extension of RFP 01-116  
Composting of Separately Collected Leaf and Yard Waste**

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**ORIGIN**

June 30, 2003 expiration of the contract with Kel Ann Organics for the receipt and management of separately collected leaf and yard waste.

**RECOMMENDATION**

It is recommended that:

**Halifax Regional Council authorize staff to prepare the appropriate documentation for an extension of contract RFP 01-116 with Kel Ann Organics for the receipt and processing of separately collected leaf and yard waste for the period covering July 1, 2003 to June 30, 2004 for a total lump sum price of \$57,750.00 plus applicable HST.**

## BACKGROUND

On August 21, 2001, Regional Council approved the award of Service A-1 Leaf and Yard Waste to Kel Ann Organics for a two-year period from October 2001 to June 2003 (two fall and spring leaf and yard waste seasons) at a total price of \$120,750. The attached staff report dated August 14, 2001 provides detail of the award by Regional Council.

The processing of separately collected leaf and yard waste (separate from green cart organics) is one component of Solid Waste Resources' Organics Contingency Plan. The separate processing of leaf and yard waste enables HRM to satisfy the contractual requirements of the agreements with New Era Farms and Miller Composting (maximum weekly permitted limit of 480 tonnes each), and to comply with the Provincial Department of Environment and Labour landfill ban on the disposal of leaf and yard waste. During a typical four week period each spring and fall, between 800 tonnes to 1,200 tonnes of leaf and yard waste is collected (separate from leaf and yard waste placed in the green organic carts). As a component of the Organics Contingency Plan, the processing of the surge of spring and fall leaf and yard waste by Kel Ann Organics has been very helpful and cost-effective.

## DISCUSSION

The agreement HRM has with New Era Farms and Miller Composting contains three renewal terms of 60 months. The first renewal term commences March 31, 2004.

A one year extension of the contract with Kel Ann Organics would provide an opportunity over the next seven months for HRM staff to consult with both New Era Farms and Miller Composting on the services desired for the five-year renewal term. The discussions will include, among other matters, the processing of fall and spring surges of separately collected leaf and yard waste, and possibly (subject to approval by the NS Department of Environment and Labour) an increase in the weekly tonnage above the current 480 tonne limit.

Although increasing the weekly tonnage limit at both compost facilities for a four to six-week period in the spring and fall will have financial implications for HRM, it may be more cost effective for HRM should it reduce the need for the separate collection of leaf and yard waste, which (subject to seasonal fluctuations) ranges between \$100,000 to \$150,000 annually.

HRM staff has been in contact with Kel Ann Organics for the purpose of determining if they were interested in a one year extension of contract number 01-116. Kel Ann Organics has responded by providing a quote of \$57,750 (plus applicable HST), which is very competitive as it represents a reduction of \$1,787.25 (net HST) as compared to the \$63,250 charged for the 02/03 fall and spring leaf and yard waste season.

It is noted that RFP 01-116 also included the processing of separately collected Christmas trees. HRM staff will have an opportunity over the next seven months to discuss with both New Era Farms and Miller Composting the receipt and processing of Christmas trees, well in advance of the January 2004 two week collection period. Staff will determine by September 30, 2003 if the services of a third company may be required for the processing of Christmas trees. If a third company is required, staff will assess the opportunities available and advise Regional Council of the recommended approach.

### **BUDGET IMPLICATIONS**

Funds for the receipt and processing of separately collected leaf and yard waste are contained in the 2003/04 budget envelope, account R325-6399.

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

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

### **ALTERNATIVES**

One alternative, which is not recommended, is to issue a Request for Proposals for the Receipt and Processing of separately collected leaf and yard waste. Not only was the price submitted by Kel Ann Organics in 2001 substantially less than the other bidders, the price proposed for the fall 2003 and spring 2004 leaf and yard waste season is less than what HRM was charged for the last year of contract 01-116.

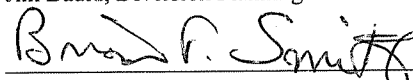
### **ATTACHMENTS**

1. Staff report dated August 14, 2001.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Jim Bauld, Diversion Planning Coordinator, Solid Waste Resources, 490-7176

Report Approved by:



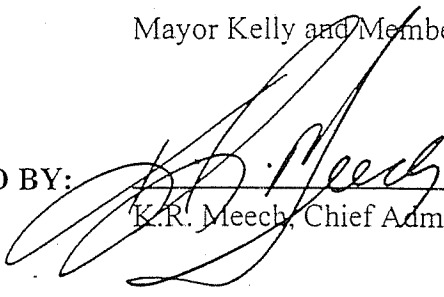
Brian T. Smith, Acting Director of Environmental Management Services, 490-6606

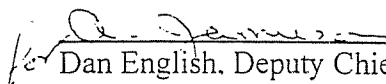
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**HALIFAX**  
REGIONAL MUNICIPALITY

Halifax Regional Council  
August 21, 2001

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:   
K.R. Meech, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

DATE: August 14, 2001

SUBJECT: Tender No. 01-116 - Receipt and Management of Separately Collected Leaf and Yard Waste, Christmas Trees and Related Services

ORIGIN

The Halifax Regional Municipality publically advertised Tender No. 01-116 to provide services for Receipt and Management of Separately Collected Leaf and Yard Waste, Christmas Trees and Related Services. This service is required to supplement organics processing capacity during peak demand periods.

RECOMMENDATION

The tender comprises three parts: Service A-1 - Receipt of Leaf and Yard for Composting, Service A-2 - Receipt of Christmas Trees, and Service A-3 - Removal of Material from 375 Cowie Hill Rd. It is recommended that Council award Tender No. 01-116, Receipt and Management of Separately Collected Leaf and Yard Waste, Christmas Trees and Related Services for a two year period as follows:

- 1. Service A-1 to Kel Ann Organics Ltd. at a total upset price of \$120,750;

2. Service A-2 to Owen Davis & Sons Contracting Ltd. for a total upset price of \$54,050;
3. Service A-3 to Owen Davis & Sons Contracting Ltd. for a total upset price of \$3,047.50.

The HST is included in the above prices and funding is outlined in the Budget Implications section of this report.

## **BACKGROUND**

Residents eligible for curbside collection services can place up to 20 bags of leaves and/or yard waste at the curbside for pick-up with their green cart on their biweekly organics collection day. Since the facility openings in late 1998, these materials have generally been sent to the two composting plants operated by Miller Waste and New Era Farms. In 1999, all organics were managed at the two plants including all peak deliveries of leaf and yard waste and Christmas trees. In the spring of 2000, a private composting plant that had been operating and receiving commercial organics in the Region closed. This, coupled with growth in residential and commercial organics in HRM, began to create capacity issues at the two plants during the spring and fall seasons and to some extent after Christmas. As the plants reached their production capacity during these periods, it became more difficult to handle the large peak flow of material that occurred spring and fall. For this reason, Waste Resources staff made temporary arrangements last fall (2000) to have separately collected leaves processed at a separate facility. This helped relieve the peak flows as well as reduced the cost to process the leaves.

For this spring (2001), HRM staff initiated separate collection of the yard waste material with delivery to Parks and Open Space's Cowie Hill depot for processing and composting. The Cowie Hill site has some space limitations and also composites material generated from parks operations, so some of the material may have to be moved out.

In consultation with the Solid Waste Resource Advisory Committee, staff has initiated a two year program to have leaf and yard waste and Christmas trees collected at the curbside to be processed separately. Tenders were called for bids on receiving and processing these materials, as well as the removal of material from the Cowie Hill site.

## **DISCUSSION**

Tenders were publicly advertised on July 21, 2001 and closed August 3, 2001. Bidders had the option of bidding on any or all of the three parts: Leaf and yard waste receipt and composting, Christmas tree processing, and removal of material from Cowie Hill. Four companies submitted bids (See Table 1). The prices submitted are for a two year arrangement (as applicable) and include HST. All of the low bidders for each Service (price in bold) met the conditions of the tender call. These prices are for receiving and processing leaves over an eight to ten week period in the spring and fall, and Christmas trees over a three week period in January.

TABLE 1 Tender N° 01-116

Bidder	Service A-1 Leaf & Yard Waste	Service A-2 Christmas Trees	Service A-3 Removal from 375 Cowie Hill
1. Owen Davis	Year 1 \$102,831.00 Year 2 \$88,262.00 <hr/> \$191,093.50	\$27,025.00 \$27,025.00 <hr/> \$54,050.00	\$3,047.50
2. Kel Ann	Year 1 \$57,500.00 Year 2 \$63,250.00 <hr/> \$120,750.00	\$33,005.00 \$34,500.00 <hr/> \$67,505.00	\$8,050.00
3. Fundy Compost (no company seal)	no bid	no bid	\$7,808.00
4. Miller	Year 1 \$186,022.64 Year 2 \$193,463.55 <hr/> \$379,486.19	\$28,856.24 \$30,012.56 <hr/> \$58,870.80	no bid

**BUDGET IMPLICATIONS**

Funds for this service are provided in the yearly Operating Budget, account #'s R324 and R325, Compost Facilities. Because each of the two composting plants are now operating above the put-or-pay limits of their respective contracts, organic material collected from the residential curbside program above this 20,000 tonne per year limit costs HRM about \$68.00 per tonne to process. In addition, each plant has a weekly contracted capacity limit of 480 tonnes. During peak seasons, more organics are generated than can be handled within the weekly limits. Based on previous experience, about 3,500 tonnes of leaf and yard waste and Christmas trees would be collected separately over a two year period. The per tonne processing cost of these materials by the low bidders would be approximately half the cost of processing at the two composting plants.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN IMPLICATIONS

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

ALTERNATIVES

There are no recommended alternatives.

ATTACHMENTS

N/A

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Fred Wendt, Waste Resource Analyst, Waste Resources 490-7175

Report Approved by: Brian T. Smith  
Brian T. Smith, Director, Solid Waste Resources 490-6606