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Halifax Regional Council
January 30, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: January 16, 2007

SUBJECT: Award of RFP No. 06-393
Household Hazardous Waste Services

ORIGIN

The Municipality's Solid Waste Resource Management Strategy and the expiry on April 30, 2007 of HRM's existing contract for household hazardous waste services which commenced in May 2002.

RECOMMENDATION

It is recommended that:

Council award RFP No. 06-393, 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 \$1,350,535 (net HST included) over a four year period commencing May 1, 2007, with funding from Operating Account No. 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 50 Chain Lake Drive, on scheduled Saturdays throughout the year. The program also includes mobile HHW depots as scheduled by HRM. The depots receive HHW items such as household toilet and drain cleaners, bleaches, automobile batteries, paints, solvents, oil, gasoline, propane tanks, antifreeze and pesticides. The current HHW service contractor is Newalta, formerly Matrix Environmental Inc.

DISCUSSION

Request for Proposals No. 06-393 encompasses operation of the HHW Depot 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 were requested in the management of materials where possible. Environmental monitoring of the site is included in the contract. The length of the 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 volume and categories of materials received at the HHW Depot. The packaging units used for the various materials are 75 L lab packs, 205 L bulk drums, 300 L cages, 350 L totes, per item or per kg. Labour costs, environmental monitoring costs and mobile depot 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 previous year of contract).

Staff issued the Request for Proposals for Household Hazardous Waste Services on November 22, 2006 with closing on December 12, 2006.

RFP Responses:

Proposals were received from the following firms:

Atlantic Industrial Services
Clean Harbors
Newalta

The evaluation team consisted of a Procurement staff member and three Solid Waste Resources staff who separately and independently scored the submissions. Attachment A (Table 3) shows the evaluation criteria used for the HHW Depot program RFP submissions. The evaluation criteria consists of components relating to ability, permits/insurance/bonding and costs.

The total score is the basis of the recommendation and award. The total points rankings for the proposals are provided in the following table:

Table 1 - Summary of Proposal Scoring

Proponent	Total Points
Atlantic Industrial Services	274.7*
Clean Harbors	230
Newalta	235.8
Maximum Total	300

* Recommended Proponent.

For the information of Council, and by way of example only, cost comparisons for receiving and processing the sample average list of materials requested in the RFP, personnel/labour costs for the permanent depot, environmental monitoring and mobile depot labour/set-up costs are provided below:

Table 2 - Cost Comparison for Components

Proponent	Materials Management Costs - Year 1 (43 days - RFP Sample material stream)	Personnel/Labour Costs - Year 1 (43 days)	Environmental Monitoring - Year 1	Mobile Depots Labour/Set-up (Per Event) - Year 1
Atlantic Industrial Services**	\$252,399.25 (Materials Management Costs increase annually by 2%, 2% & 2%)	\$34,400.00 (Personnel Costs increase annually by 2%, 2% & 2%)	\$10,000.00 (Increases annually by 2%, 2% & 2%)	\$800.00 (Increases by 2%, 2% & 2%)
Clean Harbors	\$276,439.69 (Materials Management Costs increase annually by 3.5%, 3.5% & 3.5%)	\$121,002.00 (No Yearly Increases)	\$8,632.00 (No Yearly Increases)	\$3,975.00 (No Yearly Increases)
Newalta	\$290,045.75 (Materials Management Costs increase annually by 2%, 2% & 2%)	\$58,050.00 (No Yearly Increases)	\$18,800.00 (No Yearly Increases)	\$1,350.00 (No Yearly Increases)

** Note: Extending the unit prices and personnel/labour costs for the RFP sample materials stream over four years and forty-three operating days per year (average) and three mobile depot days per year gives costs, including environmental monitoring, as follows by way of example: Atlantic Industrial Services = \$1,305,760.22; Clean Harbors = \$1,812,704.90; Newalta = \$1,602,458.88. 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 extra.

Atlantic Industrial Services is the recommended proponent. They are both the highest ranked and lowest cost service provider in each year, yielding a decrease in costs over the current contract.

BUDGET IMPLICATIONS

Funds for this program are included in the yearly Solid Waste Resources Operating Budget, account # R334-6399 with approved funds for 2006/07 of \$430,000.

Annual savings as a result of this RFP Award are approximately \$75,000. Allocation of these savings will be dealt with as part of the 2007/08 budget process.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

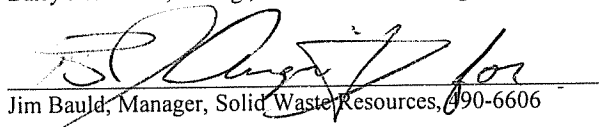
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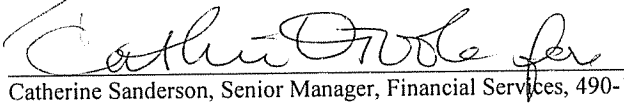
ATTACHMENTS

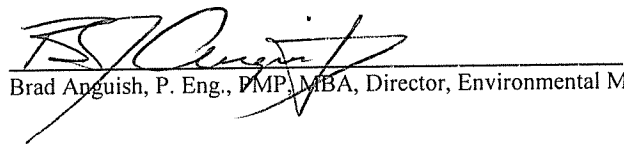
Attachment A - Tables 3 indicates the Proposal Evaluation Criteria.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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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Attachment A

Table 3 - Proposal Evaluation Criteria

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

Halifax Regional Municipality Request for Proposal # 06-393 Household Hazard Waste Service				
Evaluation Criteria	Weight	A.I.C.	Clean Harbors	NEWALTA
Qualifications/Credentials	10	7.67	7.67	7.67
Staff Credentials	10	7.17	7.83	7.83
Reference Projects	10	8.33	7.83	8.50
Permits/Insurance/Bonding	Pass/Fail	Pass	Pass	Pass
Depot Facility - General Components	10	8.33	8.00	8.50
Depot Facility Management	70	57.17	53.83	60.17
Mobile Depots/Other	10	8.00	7.33	8.67
RFP Costs	180	178.00	137.50	134.50
TOTAL	300	274.7	230.0	235.8