


Item No. 10.1.2
Halifax Regional Council
May 7, 2013

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY: _____

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: March 15, 2013

SUBJECT: Award - Tender No. 13-014, The Receipt and Management of Separately Collected Leaf & Yard Waste and/or Christmas Trees and/or Additional Organics Capacity

ORIGIN

The expiration of the Municipality's existing contracts for the receipt and management of separately collected leaf and yard waste and Christmas trees and the expiration of existing pricing agreement for additional organics capacity during peak seasons.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79, Regional Council may expend money for municipal purposes. Administrative Order #35, The Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFP's. The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council award Tender No. 13-014, The Receipt and Management of Separately Collected Leaf & Yard Waste and/or Christmas Trees and/or Additional Organics Capacity to the lowest bidder meeting specifications for each Service as noted below and at the prices provided below with funding as outlined in the Financial Implications section of this report:

RECOMMENDATION CONTINUED ON PAGE TWO

Service A - Receipt and Management of Separately Collected Residential Leaf & Yard Waste to Kel-Ann Organics for a one year period commencing October 1, 2013, at a total tender price of \$62,571.60 (net HST included) with an option (at HRM's sole discretion) for two one year extensions at a total tender price of \$64,657.32 (net HST included) for the first extension year and at a total tender price of \$66,743.04 (net HST included) for the second extension year.

Service B - Receipt and Management of Separately Collected Christmas Trees to Kynock Resources Ltd. for a one year period commencing December 27, 2013, at a total tender price of \$7,821.45 (net HST included) with an option (at HRM's sole discretion) for two one year extensions at a total tender price of \$7,821.45 (net HST included) for the first extension year and at a total tender price of \$7,821.45 (net HST included) for the second extension year.

Service C - Additional Organics Capacity during Peak Seasons to Fundy Compost Inc. for a one year pricing agreement commencing upon contract award at a unit price of \$71.95 per tonne (net HST included) with an option (at HRM's sole discretion) for two one year extensions at a unit price of \$76.27 per tonne (net HST included) for the first extension year and at a unit price of \$80.85 per tonne (net HST included) for the second extension year.

BACKGROUND

The processing of separately collected leaf & yard waste (separate from green cart organics), separately collected Christmas trees, and additional organics capacity are three components of Solid Waste Resources' Organics capacity contingency plan. The separate collection and processing of leaf & yard waste during peak seasons (up to ten weeks, spring and fall), and Christmas trees during the three or so weeks after Christmas into January, helps enable HRM to satisfy the contractual requirements of its agreements with Miller Composting and New Era Technologies, both of which have a weekly tonnage capacity limit, and to comply with the NS Department of Environment landfill ban on the disposal of compostable leaf & yard waste and organic material.

By processing some leaf & yard waste and Christmas trees at separate facilities during these known high generation periods, HRM can help maintain the two centralized composting facilities within their capacity limits. However, there are also periods of the year both during peak leaf & yard waste seasons and other months that additional organics capacity is also needed to meet the organics processing capacity requirements of HRM. During these periods, HRM engages additional organics capacity from a separate composting facility based on a unit price (per tonne fee) for weekly capacity as needed.

Growth in residential and commercial organics, both seasonally and annually, can present challenges to manage the weekly tonnage of material collected. Since the fall of 2000, HRM has had to collect some leaf & yard waste and Christmas trees separately during peak seasons and

divert the material to private facilities (other than Miller and New Era). Since 2005, HRM has also had to ship and divert additional organics to separate composting facility(s) during peak periods of the year. This capacity issue is a critical component of the on-going integrated solid waste system review.

DISCUSSION

Tenders were called on February 20, 2013, and closed on March 7, 2013. Bidders could bid on any one or all of the following three services:

- a) Service A - Receipt and Management of Separately Collected Residential Leaf & Yard Waste;
- b) Service B - Receipt and Management of Christmas Trees from Eligible Properties; and,
- c) Service C - Additional Organics Capacity

Three firms submitted bids (see Table 1). The prices submitted are for an initial one year period with two optional one year extensions (at HRM's sole discretion) and include net HST. The low bidders for each service are recommended (prices in bold). The bids met the specifications of the tender call. The yearly prices are for receiving and processing all separately collected leaf & yard waste over an eight to ten week period in the spring and fall, and the separately collected Christmas trees over a three or so week period in late December and early January. For the additional organics capacity, bidders submitted a unit price (per tonne) and the estimated yearly price is based upon an estimate of the expected annual tonnage shipped and diverted to this facility which occurs periodically when needed generally between the months of April and December.

- The total price quoted for leaf & yard waste in the initial year of these services is approximately 5% more than the current year pricing for these same services.
- The total price quoted for Christmas trees processing in the initial year of these services is approximately 33% below the current year pricing for these same services.
- The unit price (per tonne) for additional organics capacity services is approximately 6% more in the initial year of these services than the existing pricing agreement for these services.

Table 1

Bidder	Service A - Separate Leaf & Yard Waste (incl. net HST)	Service B - Separate Christmas Trees (incl. net HST)	Service C - Additional Organics Capacity (incl. net HST) Per Tonne & (Estimated Yearly Price)
Fundy Compost Inc.	No Bid	No Bid	Initial Year \$71.95* (\$187,070) Year 1 Ext. \$76.27* (\$213,556) Year 2 Ext. \$80.85* (\$242,550)
Kel-Ann Organics	Initial Year \$62,571.60* Year 1 Ext. \$64,657.32* Year 2 Ext. \$66,743.04*	No Bid	No Bid
Kynock Resources Ltd.	No Bid	Initial Year \$7,821.45* Year 1 Ext. \$7,821.45* Year 2 Ext. \$7,821.45*	No Bid

* Recommended service provider(s).

FINANCIAL IMPLICATIONS

Based on Kel-Ann Organics' bid of \$60,000 plus net HST of \$2,571.60 for a total cost of \$62,571.60 for Service A, Kynock Resources Ltd.'s bid of \$7,500 plus net HST of \$321.45 for a total cost of \$7,821.45 for Service B and Fundy Compost Inc.'s bid of \$179,381.70 plus net HST of \$7,688.30 for a total cost of \$187,070 (based on estimated organics tonnage) for Service C, funding is provided in the yearly Solid Waste Resources Operating Budget Accounts R324 6399 and R325 6399, Composting Facility(s). The budget availability has been confirmed by Finance.

The balance of funds in these two accounts will be used for operation of the two centralized composting facilities in Burnside and Ragged Lake business parks.

ENVIRONMENTAL IMPLICATIONS

The tendered services contribute to processing capacity to achieve the goal of diversion of organics from landfill.

ALTERNATIVES

There are no current recommended alternatives as the organics diversion program requires the additional processing capacity provided through this tender. HRM is examining options to increase processing capacity which would accommodate this material.

ATTACHMENTS

N/A

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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