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**Item No. 11.1.12**  
**Halifax Regional Council**  
**June 23, 2015**

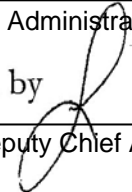
**TO:**

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:**

Draft June 11, 2015

**SUBJECT:**

**Award – RFP No. 15-053, Household Special Waste Services**

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### **ORIGIN**

The Municipality's Solid Waste Management System and the expiry of Halifax's existing contract for household special waste services.

### **LEGISLATIVE AUTHORITY**

Under the HRM Charter, Section 79, Halifax 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 RFPs. See Charter Sections 79(1) and 322(3).

### **RECOMMENDATION**

It is recommended that Halifax Regional Council award RFP No. 15-053, Household Special Waste Services, to the highest scoring proponent, Clean Harbors Canada Inc., at the unit and other pricing as outlined in their response to the RFP for a total estimated cost of \$3,358,059.15 inc. net HST over a four year period commencing July 15, 2015, with funding from Operating Account # R334 6399 as outlined in the Financial Implications section of this report.

## **BACKGROUND**

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

## **DISCUSSION**

### **Scope of Services:**

Request For Proposals No. 15-053 encompasses operation of the HSW Depot including mobile depot events and respondents were requested to provide all labour, equipment and materials needed to receive, identify, sort, classify, process, consolidate, bulk, package, transport and manage the HSW 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 contract is four years (with an option to negotiate a one year extension at Halifax's sole discretion).

Proponents were requested to provide unit pricing and packaging allocation to manage the typical average volume and categories of materials received at the HSW Depots. The packaging units used for the various materials are generally 75 litre or 150 kg lab packs, 205 litre bulk drums, 300 litre cages for paint, 350 litre totes or triwalls, 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 materials management costs and any percentage increases in cost components over the contract period (percentage increases in comparison to the previous year of the contract).

The scope of services includes operation of the HSW Depot at 20 Horseshoe Lake Dr. for all operating days as scheduled by Halifax (typically approximately forty-four Saturdays per year) and for mobile depot events (using unit prices for labour/set-up, etc.) for all events, at sites as selected and scheduled by Halifax in conjunction with the contractor. As it is a unit price contract, the number of events can be adjusted as required for District mobile depots as approved by Council (up to seventeen events as outlined in the RFP). For 2014/15 there were six mobile depot events held. For 2015/16, an estimated ten mobile depot events have been included in the projected cost based on current forecasted scheduling. Based on site selection for regional mobile depot events and adjoining Districts, ten mobile depot events is considered a reasonable estimate, however this can be adjusted as needed.

Staff issued and posted to the provincial procurement website the Request For Proposals No. 15-053 for HSW Services on April 29, 2015 with closing on May 21, 2015.

### **RFP Responses:**

Proposals were received from the following firms:

Clean Harbors  
Terrapure Environmental

The RFP was scored using a two envelope process. Envelope one is the business/technical component of the RFP (e.g. experience, qualifications, credentials, staff resources, reference projects, permits/insurance/bonding, operations, equipment, operating plan, safe procedures, methodology, etc.). Envelope two consists of the cost proposal for the components of this RFP. Only those proponents that received 75% (30 points) or better on the business/technical proposal (maximum score 40 points) from envelope one had their cost proposal (envelope two) opened and evaluated. The evaluation team consisted of three Solid Waste Resources staff members facilitated by a Senior Procurement Consultant.

Both proponents scored more than 75% on their business/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**

Proponent	Total Score (Max. 100)
Clean Harbors	* 92.9
Terrapure	89

\* Recommended Proponent.

Details of scoring are shown in **Appendix A – Table 2**.

As an example, cost comparisons for receiving and processing the sample average list of materials received per operating day including additional items added for this RFP (i.e. CFL bulbs and small household fire extinguishers) and contingency variation packaging for some items using the unit prices and the terms requested in the RFP, the personnel/labour costs for the permanent depot (for 44 operating days per year), environmental monitoring and mobile depot labour/set-up costs (for estimated 10 operating days per year as outlined in the RFP) are provided in Table 3 below:

**Table 3 – Cost Comparisons for Components**

Proponent	Four Years Materials Management Costs	Four Years Personnel/Labour Costs	Four Years Environmental Monitoring Costs	4 Years Mobile Depots Labour/Set-up Costs	Four Years Costs Totals (exc. HST)
Clean Harbors	\$2,478,687.90	\$453,420.00	\$35,418.00	\$252,522.00	\$3,220,047.90
Terrapure	\$2,577,474.35	\$624,800.00	\$18,145.00	\$263,980.00	\$3,484,399.35

Note: Above table includes materials management costs for all items as defined in the RFP for 44 operating days at the permanent depot per year and 10 mobile depots per year over four years. The actual costs for materials management and personnel/labour and mobile set-up, etc. will depend on the amount, type and packaging of materials managed and number of operating days each year.

Clean Harbors is the recommended proponent. They are both the highest scoring and lowest cost service provider responding to the RFP.

### **FINANCIAL IMPLICATIONS**

Funding for Household Special Waste services is available and allocated in the annual Solid Waste Resources Operating Budget Account # R334 6399. The 2015/16 budgeted amount for R334 6399 is \$555,900.

Staff has analysed the impact of the RFP No. 15-053 recommended unit and other pricing effective as of July 15, 2015. The following is the estimated impact of the prices submitted for the remainder of Fiscal 2015/16 based on the estimated number of operating days at the permanent HSW depot and remaining number of mobile depot events:

<b>Budget Summary:</b>	Fiscal 2015/16	Fiscal 2015/16 Estimate with RFP No. 15-053 Award Effective July 15, 2015
R334 6399 HSW Program	\$555,900	\$598,000 (includes net HST)

With the award of this contract as recommended, operating efficiencies across Transportation and Public Works must be sought in order to offset the overspend, as the current budget is not sufficient.

As noted previously, the actual costs for materials management and personnel/labour and mobile set-up, etc. will depend on the amount, type and packaging of materials managed and number of operating days this year.

### **ENVIRONMENTAL IMPLICATIONS**

The Household Special Waste program manages household products requiring special handling through recycling, re-use and proper disposal.

### **ALTERNATIVES**

None identified.

### **ATTACHMENTS**

Appendix A – Table 2.

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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RFP No. 15-053 Household Special Waste Services				
Appendix A – Table 2: Evaluation Criteria / Score Card				
Evaluation Criteria	Summary (considerations may include but are not limited to the following, see also Appendix C Requirements)	Max Score	Clean Harbors	Terrapure
Business/Technical Proposal				
Proponent Qualifications/Credentials	Technical/financial ability, equipment, facility(s), personnel, resources, experience, knowledge	3	2.7	2.7
Staff Credentials	Operational resources, team members, roles, work assignments, resumes	3	2.7	2.7
Reference Projects	Similarity, scope, project roles of team members, met objectives, etc.	3	2.7	2.8
Permits/Insurance/Bonding		Pass/Fail	Pass	Pass
Depot Facility – General Components Use Plan	Logical use, operational flow, equipment list, improvements, etc.	4	3.4	3.4
Depot Facility Management	Operating Plan including daily work schedule, staffing, operating procedures, records, contingency plans, materials management, facilities (approvals)	24	19.4	20
Mobile Depots/Other	Site layout, operating plan, equipment, personnel, materials handling, etc.	3	2	2.3
Subtotal (Business/Technical Proposal)	75 % of 40 = 30 pts = pass	40	32.9	33.9
<b>Cost Proposal:</b> Four year Costs for Materials Management, Personnel/Labour, Environmental Monitoring & Mobile Depots as defined in the RFP	<b>Score for cost</b>	60	<b>60</b>	<b>55.1</b>
	<b>without Net HST</b>		\$3,220,047.90	\$3,484,399.35
	<b>w/net HST</b>		\$3,358,059.15	\$3,633,740.71
<b>Total</b>		<b>100</b>	<b>92.9</b>	<b>89.0</b>