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Halifax Regional Council
January 28, 2003

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: January 22, 2003

SUBJECT: Request for Proposals No. 02-097, Provision of Services for
Collection and Transportation of Source-Separated Solid Waste

ORIGIN

The expiration of the Region's municipal curbside collection service contracts on June 30, 2003 and the issuance of RFP No. 02-097 for provision of collection services for a five (5) year period.

RECOMMENDATION

It is recommended that:

1. **Halifax Regional Council award contracts for source-separated solid waste collection and transportation services to the firms recommended for Areas 1 to 6 and Area 8 as outlined in Table A of this report for the monthly and other unit prices provided in the RFP responses, subject to satisfactory pre-award meetings with the firms, subject to receipt of all appropriate documents, and all in accordance with the requirements of the RFP No. 02-097.**

- 2. Halifax Regional Council request staff to prepare the appropriate procurement documents to re-issue the Request For Proposals for collection services in Area 7.**

BACKGROUND

Request for Proposals No. 02-097, Provision of Services for Collection and Transportation of Source-Separated Solid Waste was advertised commencing October 19, 2002 and issued on October 21, 2002. The RFP requirements and specifications were developed through a staff review and thorough consultation process involving Council, SWRAC, collectors and related organizations. An information meeting was held with all potential proponents on November 4, 2002 and closing was the end of business day, November 25, 2002.

DISCUSSION

Proposals for source-separated solid waste collection and transportation services from serviced units were requested in Areas 1 to 8 as specified in the RFP. The work generally includes the curbside collection of refuse, organics and recyclables, and transportation of the materials in the manner, time, and to the locations specified in the RFP. Through the procurement process, the Municipality reserved the right to limit to three (3), the number of collection Areas awarded to any one proponent. Collection services were requested for a five (5) year period commencing July 1, 2003 and finishing June 30, 2008.

A two stage proposal package was requested from proponents:

In stage 1 (envelope A), proponents submitted a work plan and completed a form of proposals along with bid deposit, agreement for contract surety, details of financial structure and business plan for evaluation. Financial statements were submitted in a separate envelope for review by an independent auditor (KPMG) as part of stage 1.

In stage 2 (envelope B) of the RFP, monthly prices were obtained from proponents for biweekly refuse collection alternating with biweekly organics collection and recyclables collection as specified in the Areas. Prices were obtained based on the specific delivery locations: Front End Processing Facility, Refuse Depots, Burnside Composting Facility, Ragged Lake Composting Facility and the Materials Recovery Facility (recycling plant). In Area 8, monthly pricing was obtained for operation of the rural refuse collection depots. Contingency pricing was also sought in some Areas for separate collections of leaf and yard waste and Christmas trees to handle possible seasonal peak requirements. Proponents were also requested to submit pricing for options involving extra collection of organics during summer (July and August) months.

Evaluation and scoring of stage 1 was completed prior to stage 2 opening of the price proposals contained in envelope B.

Staff followed the two stage evaluation process for this RFP. Proponents submitted their proposal information for Areas bid upon in envelope A at the same time as their business plan and financial statements for review by the independent auditor (stage 1). A Procurement Coordinator was a non-scoring member of all evaluation and review teams for this RFP. An evaluation team (comprised of three staff from Solid Waste Resources and one from Public Works and Transportation) scored stage 1, the work plan and completed form of proposals in each Area out of a possible 30 points. The work plan and form of proposals submission included qualifications, experience, equipment and maintenance plans, management and customer service arrangements, operating plans, references, health and safety plans, etc. A financial review team (comprised of two staff from Financial Services and one from Solid Waste Resources) reviewed the reports from the independent auditor, checked financial references, and scored the business plan and financial capability of the proponents on a pass/fail basis. All proponents passed the financial review.

After completion of stage 1 scoring, stage 2 (envelope B) price evaluation was completed for each Area with the score for price assigned a value of 70 points for the low price proponent, and the score of higher price proponents reduced by the percent that their price was greater than that of the low price proponent in the Area. The method and items included in the price evaluation are defined in the RFP and include the base services along with the contingency and optional services for each Area. The results are provided below in Table A with the recommended proponent highlighted.

It is noted that in most of the Areas, two or more proponents submitted proposals. However, in two of the Areas (Area 2 and Area 7), only one proponent responded to the proposal call. In instances where only one proponent submitted a proposal and pricing, staff analysed the submissions in comparison to the other Areas. Staff calculated the average price per serviced unit for the base collection services including all the high score proponents in the Areas. For the first year, the average is \$61.97 per serviced unit per year. In the case of Area 2, the submitted pricing is less than this average and therefore is recommended as acceptable. For Area 7, the price received is more than twice the average price per serviced unit received in the Areas and therefore staff recommends rejection and to re-issue the RFP in Area 7.

Pricing was obtained for options involving extra collection of organics during summer (July and August) months. This information and results of a survey conducted in September will be the subject of reports to SWRAC with recommendations in this regard to go to Program and Service Review Committee.

Request For Proposals No. 02-097, Provision of Services for
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Council Report

TABLE A

Area (# Households)	Proponent	Stage 1 (Max. 30)	Stage 2 (Max. 70)	Total Points (Max. 100)	Price Evaluation (5 years exc. HST)
1 - Halifax (28,574)	HRDA (Enviro Care Services)	23.1	69.5	92.6	\$8,665,655.00
	Canadian Waste Services	21.8	70.0	91.8	\$8,609,071.70
	Miller Waste Systems	22.1	64.2	86.3	\$9,323,674.95
2 - Dartmouth (20,552)	Canadian Waste Services	21.2	70.0	91.2	\$5,898,805.79
3 - Bedford, Hammond's Plains (8,926)	HRDA (Enviro Care Services)	22.8	70.0	92.8	\$2,844,500.00
	Canadian Waste Services	21.7	51.5	73.2	\$3,596,730.01
	Marriott's Container Rentals	23.0	12.8	35.8	\$5,167,494.00
4 - Western (13,367)	Canadian Waste Services	21.7	70.0	91.7	\$4,324,931.50
	Marriott's Container Rentals	22.9	31.3	54.2	\$6,713,607.00
5 - Sackville, Fall River (18,973)	Miller Waste Systems	21.5	70.0	91.5	\$6,294,578.76
	Canadian Waste Services	21.7	69.3	91.0	\$6,356,727.79
	HRDA (Enviro Care Services)	22.6	44.8	67.4	\$8,559,325.00
	Marriott's Container Rentals	22.4	33.7	56.1	\$9,557,626.00
6 - Cole Harbour, Eastern Passage (12,290)	Canadian Waste Services	22.1	70.0	92.1	\$4,311,444.46
	Ed DeWolfe Trucking	24.1	53.1	77.2	\$5,351,690.00
	Miller Waste Systems	22.7	51.6	74.3	\$5,446,038.19
	Leo J. Beazley (1996)	22.0	25.1	47.1	\$7,077,563.77
7 - Preston, Lawrencetown (7,099)	Leo J. Beazley (1996)	n/a	n/a	n/a	n/a
8 - Eastern (7,111 & 2 waste depots)	Eastern Shore Cartage (1997), 3006877 NS Ltd.	22.3	70.0	92.3	\$3,578,213.58
	High Tide Eco Management	21.2	67.2	88.4	\$3,722,114.63
	Leo J. Beazley (1996)	22.6	25.8	48.4	\$5,839,407.06

BUDGET IMPLICATIONS

Staff has analysed the impact of the new prices as of July 1, 2003 for basic collection services, including allowances for seasonal collections and fuel price adjustments. The 2002/03 operating budget for residential collection is \$7,274,400. Based on the recommended collection contract proposals, the estimate for the 2003-04 operating budget is approximately \$8,500,000, an increase of \$1,200,000 or 16.5%. A thorough review of planned expenditures for the Solid Waste Resources program indicates that this increase, although a significant one, can be accommodated within the proposed budget envelope.

An increase in the price for residential collection services was expected from the RFP. During the development of the new waste/resource management system in 1996, a 40% increase in price was forecast with the introduction of three stream collection, and increased frequency for recyclables in some areas. The procurement process in 1998 resulted in an actual increase of approximately 25% in residential collection costs at that time. Based on our pre-RFP consultations in 2002 it was clear that labour, vehicle, insurance and labour costs have increased over the past five years.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN IMPLICATIONS


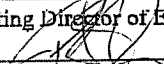
This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

One alternative which is not recommended is to award Area 7 to the proponent who provided the only proposal in that Area. This would have significant budget implications over the five year term of the contract.

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.	
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