

# **The Corporation of the City of Kawartha Lakes**

## **Council Report**

**Report Number PUR2019-035**

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**Date:** October 22, 2019

**Time:** 1:00 p.m.

**Place:** Council Chambers

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**Ward Community Identifier:** All

**Title:** Co-Operative Request for Proposal 2019-66-OP Collection and Transportation of Waste and Recyclables

**Author and Title:** Marielle van Engelen, Buyer  
David Kerr, Manager of Environmental Services

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### **Recommendation(s):**

**That** Report PUR2019-035 Co-Operative Request for Proposal 2019-66-OP Collection and Transportation of Waste and Recyclables, be received;

**That** the highest scoring proponent, Miller Waste Systems Inc. of Markham, Ontario be selected for the award for the Co-Operative Request for Proposal 2019-66-OP Collection and Transportation of Waste and Recyclables for an initial term of seven (7) years;

**That** Council authorizes the option to renew the contract for an additional two (2) - one (1) year terms upon mutual agreement and successful completion of the initial term and each term thereafter; and

**That** subject to receipt of the required documents, the Mayor and Clerk be authorized to execute the agreement.

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

## **Background:**

The current contract for the collection and transportation of waste and recyclables expires September 23, 2020 with no additional options to renew. A new document was issued, a year in advance, to allow the successful proponent sufficient time to acquire new trucks that comply with the requirements of the proposal.

A co-operative procurement process was issued by the City and Trillium Lakeland District School Board (TLDSB) in July of 2019 with the intention to enter into an agreement with only one (1) legal entity. The City and TLDSB will each have their own award process and contract with the selected proponent.

The City consulted with experts in waste contract management during the preparation of this proposal document. The document is structured to address changes in legislation and to be flexible as the province works towards transitioning to full producer responsibility. Producer responsibility means that companies would be fully responsible for managing the cost of collecting and processing their products and packaging. This is based on the idea that companies that design, create and market products and packaging are in the best position to reduce waste or increase resources that can be recovered from their products. Full producer responsibility would benefit the City, as the City would no longer be burdened with the cost of collecting and processing recyclables. Currently the City funds the recycling program and is reimbursed approximately 50% of the costs from the province. After transition to full producer responsibility it is expected that the producers will fund the vast majority of recycling however municipalities will likely have reduced funding from the province. Overall the expectation is that there will be a financial benefit to the City.

It is important to note that there are no specific details on the transition to full producer responsibility which the province has set to start in 2023 and be complete in 2025.

The province will work on a regulation throughout 2021 that will specify how the blue box program will move to producer responsibility. Once these regulations have been finalized, staff will be better equipped to bring the City's options to Council. At this time there are too many unknowns; including how transition will occur, what products will be included in the new blue box program and how service delivery may be impacted.

The clauses that are included in the proposal document gives the City the ability to assign portions of the collection and transportation of recyclables to other designates (i.e. producers) or to terminate the recycling collection and transportation portions of the contract early (with known costs to the City identified in the proposal submission).

Based on the requirements of the RFP, the contract will also include a methodology to make in term adjustments to service delivery. This will provide a framework for equitably making service delivery adjustments based on legislative changes or program service delivery changes required. Award of this contract will provide the best overall option for continued service delivery at a controlled cost while providing adequate flexibility for contractual changes or future service delivery modifications.

The Co-Operative Request for Proposal 2019-66-OP Collection and Transportation of Waste and Recyclables was released for advertising in accordance with the purchasing policy.

The proposal closed on August 22, 2019 and was opened in public by Andy Letham, Mayor and Marielle van Engelen, Buyer. Proposals were received from the following:

<b>Name of Company</b>
Miller Waste Systems Inc. Markham, Ontario
GFL Environmental Inc. Vaughan, Ontario
Environmental 360 Solutions Pickering, Ontario

The proposal was a two envelope system, with the financial envelope only being opened if the submission met the minimum threshold for the written portion.

An evaluation committee carefully evaluated and scored each Proposal by consensus, based on the criteria described within the request for Proposal.

Miller Waste Systems Inc. and GFL Environmental Inc. were the only proponents to exceed the minimum threshold for the written portion and therefore their second envelopes were opened and scored.

Miller Waste Systems Inc. was found to be the highest scoring proponent.

References were checked and found to be favorable.

### **Rationale:**

Proposals were evaluated based on a two (2) envelope system to ensure that the firms submitting were properly screened to meet the required criteria in the proposal. Key points of the evaluation criteria were experience and qualifications, overall contract management, methodology, equipment and

operating/communications plan. Scoring was set at 60% for the written portion of the submissions and 40% for the financial consideration. Proposals were ranked accordingly.

Staff recommends that the highest scoring proponent, Miller Waste Systems Inc. be selected for the award of Request for Proposal 2019-66 OP Collection and Transportation of Waste and Recyclables.

The initial term of the contract is for seven (7) years, with the option to renew the contract for an additional two (2) - one (1) year terms upon mutual agreement and successful completion of the initial term and each term thereafter. Pricing is firm for the first year of the contract and subsequent years, including renewals, will have a unit price increase based on the annual percentage change in the consumer Price Index, Ontario – All –Items, up to a maximum of three percent (3%).

### **Other Alternatives Considered:**

No other alternative is being considered as a competitive procurement process was conducted and the highest scoring proponent is being recommended.

### **Financial/Operation Impacts:**

Funds for the collection and transportation of waste and recyclables material will be allocated in the 2020 and subsequent annual Solid Waste operating budgets. There is adequate budget proposed within the 2020 operating budget to accommodate award of the contract.

The award and subsequent contract value is based on current service levels and historical waste volumes. Changes to service levels or significant changes to waste levels which could be triggered by impending legislative changes described within this report will impact the contract and associated cost.

### **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

The selection of for the Collection and Transportation of Waste and Recyclables contributes to the following goals:

- Goal 1 – A Vibrant and Growing Economy
  - A Stronger and More Diversified Economy
- Goal 3 – A Healthy Environment
  - Execute the Integrated Waste Management Strategy

**Consultations:**

Supervisor, Solid Waste Services

Waste Technician II

**Department Head E-Mail:** brobinson@kawarthalakes.ca

**Department Head:** Bryan Robinson, Director of Public Works

**Department File:** 2019-66-OP