



Council Report

Report Number: PUR2022-023
Meeting Date: August 23, 2022
Title: Request for Quotation 2022-58-OQ Household Hazardous Waste Services
Author and Title: Marielle van Engelen, Buyer
David Kerr, Manager of Environmental Services

Recommendation(s):

That Report 2022-023, **Request for Quotation 2022-58-OQ Household Hazardous Waste Services** be received.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The City of Kawartha Lakes currently offers household hazardous waste (HHW) management/disposal services to residents at two facilities, located at the Lindsay Ops and Fenelon Landfills, as well as special event day services. The City properly disposes of materials collected at these facilities through a third party vendor. The Environmental Compliance Approval for City of Kawartha Lakes landfills do not permit landfilling of HHW and/or liquid industrial waste. The household hazardous waste program protects our environment by appropriately diverting hazardous and liquid industrial waste from the landfill where those materials contain contaminants that have a heightened risk of impacting the environment. Not only does this reduce the liability and risk of contamination from our landfills but it also helps ensure we comply with legislation. The current contract for these services expires December 31, 2022 with all optional renewals being utilized.

Request for Quotation 2022-58-OQ Household Hazardous Waste was issued in accordance with the Purchasing Policy.

The submissions were opened on June 30, 2022 by Launa Macey, Supervisor of Procurement, with the following results:

Company	Annual Amount with Provisionals as Read at Opening	Corrected Annual Cost with Provisionals	Annual Cost without Provisionals
GFL Environmental Services Inc.	\$488,572	\$356,047.50	\$295,547.50

During the evaluation of the submission, it was found that one of the unit prices seemed extremely high. Confirmation was requested and it was determined that there was an error on the unit price. As GFL Environmental Services Inc. was the only submission, it didn't make sense to cancel the procurement process and go back out, so their pricing was corrected.

As per the Purchasing Policy, procurement awards for operational contracts with an aggregate value of \$100,000.00 or greater must be approved by Council if the recommendation encumbers future operating budgets.

The quotation submission was reviewed for compliancy to the quotation document. References were checked and found to be satisfactory.

Council's authority has been delegated to the Chief Administrative Officer (CAO), in accordance with by-law 2022-013. Section 4.5 of the Purchasing Policy, further clarifies that the delegation of Council's purchasing authority transfer to the CAO in the case of Restricted Acts (Lame Duck), therefore this report is being provided to Council for information purposes only.

Rationale:

Staff recommend that GFL Environmental Services Inc. be selected for award of Quotation 2022-58-OQ for Household Hazardous Waste Services for the estimated cost of \$295,547.50 (not including HST) for the initial term of January 1, 2023 to December 31, 2023.

Staff also recommend that upon completion of the initial term, four (4) – one (1) year renewals be awarded pending successful completion of the initial term and each subsequent renewal, budget approval, Consumer Price Index increase and mutual agreement.

At this time, Staff have chosen not to award the provisional work of emergency transportation, annual training and Saturday operations of the HHW depots at the Lindsay (during winter hours) and Fenelon landfills. The current vendor provides HHW depot services at the Lindsay depot on Saturdays during summer hours, as per the contract. Staff operate both the Lindsay and Fenelon HHW depots at all other times of the year. The provisional items are included as a contingency backup in the event they are required. This will result in an operational savings to the City. Should the City require these services to be performed by GFL Environmental Services Inc., they will be awarded via a change order in accordance with the City's purchasing policy based on the unit pricing submitted.

The services provided under this quotation include receiving HHW at the Lindsay Ops depot and event day sites along with the packing, transportation and processing at all depots and events.

Alignment to Strategic Priorities

Ensuring HHW is collected and properly disposed of aligns with Goal #3 of a "Healthy Environment". HHW is extremely harmful to the environment if not collected and disposed/recycled properly and diverting this material from our landfills aligns with the City's vision of a naturally beautiful community that protects our local environment, enhances water quality and creates an improved quality of life.

Financial/Operation Impacts:

There has been an increase for these services from the current contract. The original purchase order for 2022 was \$219,583.56. This cost was offset by funding from producer responsibility organizations of approximately \$128,000. The cost for 2023 of \$295,547.50 will be similarly offset by \$128,000. The net cost difference to the City from 2022 to 2023 is therefore an increase of approximately \$76,000. The funding is based on quantity of material received and not price, so the funding is not expected to increase.

Costs for these services are included in the Public Works- Solid Waste Operating Budget. The division proposes to increase funds in the proposed 2023 operating budget to cover the annual estimates quoted in the recommendation on this report.

A reasonable explanation for the increase for these services is most likely due to record high fuel costs and CPI increase. All future operating budgets will be proposed accordingly. The quotation is structured on a unit rate basis for transportation and process of HHW material. Estimated quantities were based on historical quantities. Only actual quantities will be paid.

Consultations:

Regulatory Compliance Officer

Department Head email: brobinson@kawarthalakes.ca

Department Head: Bryan Robinson, Director of Public Works

Department File: 2022-58-OQ