




P.O. Box 1749  
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**Item No. 14.1.3**  
**Halifax Regional Council**  
**September 6, 2016**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by   
\_\_\_\_\_  
Jane Fraser, Acting Deputy Chief Administrative Officer

**DATE:** July 29, 2016

**SUBJECT:** Award – Tender No. 16-073, Collection and Transportation of Source-Separated Solid Waste from Condominium Properties

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### **ORIGIN**

Halifax's existing agreements for the collection and transportation of source-separated solid waste from condominium properties expire on October 31, 2016. The Municipality issued Tender No. 16-073 to provide services for the Collection and Transportation of Source-Separated Solid Waste from Condominium Properties for the three year period from November 1, 2016 to October 31, 2019.

### **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 RFP's.

### **RECOMMENDATION**

It is recommended that Halifax Regional Council award Tender No. 16-073, Collection and Transportation of Source-Separated Solid Waste from Condominium Properties to GFL Environmental in Areas A and B, and to Royal Environmental (REgroup) in Area C, for a three year period (with the option, at the Municipality's sole discretion, for two separate one (1) year extensions) to provide the services specified at the unit and monthly prices provided in the tender, for a Total Tender Price of \$1,111,172 (net HST included) with funding from Solid Waste Resources Operating Account #R322 6399, as outlined in the Financial Implications section of this report. The distribution of the award over three years is as follows:

Area A – Halifax/Western County to GFL Environmental at a price of \$629,205  
Area B – Dartmouth/Cole Harbour to GFL Environmental at a price of \$289,084  
Area C – Bedford/Sackville to Royal Environmental at a price of \$192,883

## **BACKGROUND**

Halifax Regional Municipality has provided the collection of refuse and recyclables at registered condominium properties since 1996 (and prior) and organics since 1998/99, with the introduction of composting. The current contracts serving approximately 9,148 condominium units in three geographic areas (Halifax/Western County, Dartmouth/Cole Harbour and Bedford/Sackville) will expire October 31, 2016. Tender No. 16-073 was issued for the three-year period from November 1, 2016 to October 31, 2019. There is an option (at the Municipality's sole discretion) for two separate one (1) year extensions during which all prices will be adjusted by the percentage change (to the nearest one tenth) in the Consumer Price Index (all items), for Canada as published by Statistics Canada, during the preceding twelve (12) month period.

## **DISCUSSION**

The Tender No. 16-073 was issued on July 5, 2016, with closing on July 28, 2016. The required services consist of the supply of collection containers, the collection of the refuse, organics and recyclables at the condominiums, and the transportation of the materials in the manner, at the frequency, time and to the receiving/processing facilities, all as specified in the tender documents.

The prices submitted are monthly and unit prices in each area in each year, to service the condominiums as currently specified. Provision is made to add or remove condominium units (buildings) during the three year tender period, at the unit prices for each service provided by the successful bidder for each area. The total tender price in each area is the total price over three years for all of the services specified in the tender.

For this tender, specifications and requirements have been updated (from the last tender) including use of GPS/AVL on the collection vehicles, ability to accommodate the potential for truck side guards, greater contractor reporting requirements, and the addition of the two optional extension years.

The following bids were received in the three areas for the three year period:

Tenderer	Area A – 3 Years (incl. net HST) – 5,686 units	Area B – 3 Years (incl. net HST) – 2,138 units	Area C – 3 Years (incl. net HST) – 1,324 units	Areas A, B & C Bid Together (incl. net HST) – 9,148 units
GFL Environmental	<b>\$629,205*</b>	<b>\$289,084*</b>	\$197,718	\$1,116,007
Miller Waste	\$885,252	\$332,659	\$223,288	\$1,403,310
Royal Environmental	\$882,251	\$432,202	<b>\$192,883*</b>	\$1,507,335

\* **Recommended bidders.** The lowest total prices for Areas A, B, C:

Area A – \*GFL Environmental:    **\$ 629,205 \***  
Area B – \*GFL Environmental:    **\$ 289,084 \***  
Area C -- \*Royal Environmental: **\$ 192,883 \***  
  **\$1,111,172**

**For Areas A, B, C** the total estimated price over 3 years (including net HST) is **\$1,111,172**.

The average of the first year monthly prices total quoted by the recommended bidders is approximately 26.9% less than the average of the current monthly prices total for these services.

	Area A (No HST incl.)	Area B (No HST incl.)	Area C (No HST incl.)
Approx. Monthly Cost Recommended Bidders	\$16,225	\$7,344	\$4,897
Current Approx. Monthly Cost	\$21,717	\$9,726	\$7,514
Variance (%)	- 25.3%	- 24.5%	- 34.8%

	Area A – Average Price per unit/year (Net HST incl.)	Area B – Average Price per unit/year (Net HST incl.)	Area C – Average Price per unit/year (Net HST incl.)
Price Per Unit/Year Recommended Bidder	\$36.87	\$45.07	\$48.56
Previous Tender Average Price Per Unit/Year	\$46.42	\$64.35	\$69.47
Percentage Change Per Unit from Previous	- 20.6%	- 30.0%	- 30.1%

Note: The service level provided, i.e. the number of bins, frequency of collection of refuse, organics and recyclables for each condominium property, which is reviewed prior to issuance of a new tender every three years, varies based upon the number of units, available space and configuration at each condominium property. The service level at a majority of condominium properties is two to three collections per week.

The specifications included in this tender allow for flexibility over the three year period should the Municipality evolve its systems such as the ability to change delivery locations (e.g. for organics, etc.).

GFL Environmental currently provides curbside collection services in three collection areas for Halifax and Royal Environmental currently provides condominium collection services in two areas and curbside collection services in three areas for Halifax.

### **FINANCIAL IMPLICATIONS**

Based on the lowest tendered three-year pricing of \$1,065,504 plus net HST in the amount of \$45,668 for a total of \$1,111,172 funding is available for the first five months of these services in the approved 2016/17 Operating Budget, Account # R322-6399 - Collection, and will be budgeted in subsequent Operating Budgets. The budget availability for 2016/17 has been confirmed by Accounting. The total cost for 2016/17 Operating Budget for five months of condominium collection services starting November 1, 2016 and extending to March 31, 2017, is approximately \$148,431 (incl. net HST) based on the current number of condominium units serviced.

These services were estimated in the Approved 2016/17 Operating Budget at approximately \$202,868 (based on current pricing) for five months of service.

### **RISK CONSIDERATION**

The potential risks related to this tender are considered minor and able to be mitigated should they occur.

### **COMMUNITY ENGAGEMENT**

N/A

**ENVIRONMENTAL IMPLICATIONS**

The delivery of source-separated solid waste collection services to condominium buildings provides for the separation and collection of organics and recyclables as part of implementing the diversion goal for HRM's solid waste system.

**ALTERNATIVES**

There are no recommended alternatives.

**ATTACHMENTS**

N/A

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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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