

HALIFAX

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Item No. 14.1.2
Halifax Regional Council
November 27, 2018

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: September 25, 2018

SUBJECT: **Side Guards on Source Separated Solid Waste Collection Vehicles**

ORIGIN

At the June 5, 2018 session, Council approved the following motion:

THAT Halifax Regional Council:

1. Exercise its option to extend the municipal curbside solid waste collection contracts and their respective standing offer agreements for a two-year period as per the terms and conditions outlined in the staff report dated April 27, 2018; and
2. Direct staff to negotiate the installation of sideguards for the municipal curbside solid waste collection fleet and return to Council outlining the total project cost and a funding source.

LEGISLATIVE AUTHORITY

Clause 79(1) (an) of the *Halifax Regional Municipality Charter* provides that “Council may expend money required by the Municipality for ... collecting, removing, managing and disposing of solid waste”.

Section 41 of HRM’s Procurement Policy provides that “the exercising of any option under a contract is subject to the identification and availability of sufficient funds approved by Council through the business planning and budget process” and that Council may approve any such contractually defined option, including an option to extend a contract.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve the installation of side guards on the contracted curbside solid waste collection fleet with funding as provided for in the Financial Implications section of this report;
2. Exercise its option to extend the existing condominium collection contracts for garbage, organics and recyclables (and their existing standing offer agreements) for a two-year period as provided for by the terms and conditions outlined in this report;
3. Approve the installation of side guards on the contracted condominium solid waste collection fleet with funding as provided for in the Financial Implications section of this report.

BACKGROUND

The existing curbside collection contracts for garbage, organics and recyclables (RFP No. 14-336) have an expiration date of June 30, 2021.

The existing condominium collection contracts for garbage, organics and recyclables (Tender No. 16-073) have an expiration date of October 31, 2019 (with an option, at the Municipality's sole discretion for two (2) additional separate one (1) year extensions with a CPI adjustment mechanism).

DISCUSSION

Council directed staff to initiate discussions with the collection contractors for the installation of side guards on the solid waste collection fleet. Staff gathered information regarding side guard suppliers and designs from the contracted service providers. Based on review with TPW staff, the various side guards proposed by Solid Waste contractors meet industry standards.

The table below provides an estimate for the installation of side guards on the curbside collection fleet in use by the four collection contractors servicing the eight collection areas within the Municipality. This includes regular fleet for garbage/organics and recyclables collection and fleet for seasonal peaks and weekly summer organics collection.

Service – Curbside Solid Waste Collection	Cost for Side Guard Installation (Parts & Labour)
Estimate 83 total trucks	Estimate \$193,005
10% Contingency	\$19,300
Subtotal	\$212,305
Total (inc. net HST)	\$221,405

Tender No. 16-073, Collection of Solid Waste from Condominiums provides for the collection of garbage, organics and recyclables in three collection areas within the Municipality. The contracts for these services commenced November 1, 2016 for an initial three-year period to October 31, 2019. The Municipality has the right and option to extend the tender and contracts for two additional one-year periods. During the extension, the same terms and conditions of the tender apply, subject to the application of CPI (all items, for Canada, preceding twelve-month period) to the monthly and other unit prices as contained in the tender responses.

The scope, terms and conditions that apply in the tender extension period with the two service providers in three collection areas are summarized as follows:

Parties	HRM and Contracted Service Providers: GFL Environmental – Areas A & B, S/O# 2090009088 REgroup – Area C, S/O# 2090009089
Services	Condominium collection – garbage, organics & recyclables
Extension Duration	Year one (November 1, 2019 to October 31, 2020) Year two (November 1, 2020 to October 31, 2021)
Pricing	- The schedule of monthly and other unit pricing increases by CPI in the first extension year (in comparison to the Nov. 1, 2018 to Oct. 31, 2019 schedule of prices) - The schedule of monthly and other unit pricing increases by CPI in the second extension year (in comparison to the Nov. 1, 2019 to Oct. 31, 2020 schedule of prices)

Terms and Conditions	<ul style="list-style-type: none"> - Municipality's sole option to extend the contract for the first year and second year with a minimum three-month notice period prior to the end of each term - New buildings added are addressed through unit pricing at the time that the service is required - Fuel escalation clause, as applicable - Contractors to provide sufficient and reliable equipment to ensure completion of the required collection services at the designated locations on the assigned days and within the required collection time period
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Solid Waste is currently drafting the RFP for organics management. An option available for vendors is establishing an anaerobic digestion (AD) system which can create renewable natural gas (RNG) from organics cart material. If RNG was produced, it may be able to be used in the condominium collection fleet. A contract extension will provide staff the ability to investigate possibly integrating RNG fueled fleet into the condominium collection system. Extending the condominium collection contracts is fiscally prudent. Historically, price increases for condominium collection contracts have varied (but tend to increase). However, in 2016, for this current Tender No. 16-073, the first-year cost decreased for condominium collection by an average of approximately 26.9% less than the average of the previous monthly prices total for these services. The extension price adjustment is limited to CPI each year which is estimated to be approximately 2%. Extending the contract will secure the historically low collection rate for an additional two years.

The existing condominium collection contracts do not require haulers to have side guards, however, the contracts contemplate that they could be added to the fleet at the request of the Municipality (and at the Municipality's cost).

The table below provides an estimate for the installation of side guards on the condominium collection fleet in use by the two collection contractors servicing the three condominium collection areas within the Municipality. This includes all fleet for garbage/organics and recyclables collection.

Service – Condominium Solid Waste Collection	Cost for Side Guard Installation (Parts & Labour)
Estimate 8 total trucks	Estimate \$14,665
10% Contingency	\$1,467
Subtotal	\$16,132
Total (inc. net HST)	\$16,824

FINANCIAL IMPLICATIONS

Funding for condominium collection is included within the annual Solid Waste operating budget account R322-6399. The table below provides the list of contractors servicing the three condominium collection areas and the estimated collection costs in each area for the extension years using a CPI estimate of 2% in each 12 months as the increase.

Condominium Area	Contractor	Nov 1/19 – Oct 31/20	Nov 1/20 – Oct 31/21
A – Halifax/Western	GFL Environmental	\$220,343	\$224,749
B–Dartmouth/Cole Harbour	GFL Environmental	\$93,520	\$95,391
C – Bedford/Sackville	REgroup	\$61,754	\$62,989

Note 1: Prices above exclude net HST.

Funding for the installation of side guards is estimated to cost \$221,405 for the curbside collection fleet and \$16,824 for the condominium collection fleet for a total estimated cost of \$238,229 (net HST included). Costs will be applied to Solid Waste operating account R322-6399 Collections. This initiative was not

contemplated during the development of the 2018/19 budget. Based on current projections, this cost can be accommodated within Solid Waste's overall budget allocation as a result of additional diversion credit funding provided by Divert NS, revenue generated through regional partnerships in recycling operations and lower residential tonnage at Otter Lake.

RISK CONSIDERATION

The risks associated with these recommendations are low.

COMMUNITY ENGAGEMENT

N/A

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

Council may direct staff to install side guards on only the curbside solid waste collection fleet.

Council may direct staff to not extend the condominium collection contracts and wait for the next condominium collection tender to add the requirement for side guards.

ATTACHMENTS

N/A

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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