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Item No. 11.1.2
Halifax Regional Council
September 14, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Dave Reage, Acting Chief Administrative Officer

DATE: August 24, 2021

SUBJECT: **Award – RFQ 21-340, Collection and Transportation of Source-Separated Solid Waste from Condominium Properties**

ORIGIN

HRM's existing agreements for the collection and transportation of source-separated solid waste from condominium properties expire on October 31, 2021. The Municipality issued RFQ 21-340 to provide services for the Collection and Transportation of Source-Separated Solid Waste from Condominium Properties for the three-year period from November 1, 2021 to October 31, 2024.

LEGISLATIVE AUTHORITY

The Municipality may spend money for municipal purposes in accordance with section 79A of the HRM Charter. The recommended contract award complies with all of the pre-requisites for awarding contracts as set out in section 26 of Administrative Order 2020-004-ADM, *the Procurement Administrative Order*.

Section 28 of *the Procurement Administrative Order*, provides that Halifax Regional Council may approve contract awards of any amount.

RECOMMENDATION

It is recommended that Halifax Regional Council award RFQ 21-340, Collection and Transportation of Source-Separated Solid Waste from Condominium Properties, based on the lowest bid in each area meeting the requirements of the RFQ, for a total bid price of \$1,873,776.06 (net HST included) over three years with funding from Solid Waste Resources Operating Account R322 6399 (as outlined in the Financial Implications section of this report) as follows and as outlined in Table 1 of this report:

Area A: Halifax/Western County to Green For Life Environmental in the amount of \$1,009,657.47 (including net HST)

Area B: Dartmouth/Cole Harbour to Royal Environmental in the amount of \$475,646.40 (including net HST)

Area C: Bedford/Sackville to Miller Waste in the amount of \$388,472.19 (including net HST)

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 the green cart program. The current contracts serving approximately 9,857 condominium units in three geographic areas (Halifax/Western County, Dartmouth/Cole Harbour and Bedford/Sackville) will expire October 31, 2021. HRM's current service providers for condominium collection are:

- Area A Halifax/Western County – Green For Life Environmental
- Area B Dartmouth/Cole Harbour – Green for Life Environmental
- Area C Bedford/Sackville – Royal Environmental (REgroup)

RFQ 21-340 was issued for the three-year period from November 1, 2021 to October 31, 2024. There is an option (at the Municipality's sole discretion) for two additional, separate one year extensions; or one additional, two year extension, during which all prices will be adjusted by the percentage change in the Consumer Price Index (all items), for Canada as published by Statistics Canada, during the preceding twelve month period.

DISCUSSION

RFQ 21-340 was issued on June 4, 2021 with closing on June 29, 2021. The scope of work consists of providing waste collection services at each condominium property including the supply of collection containers, the collection of the garbage, organics and recyclables, and the transportation of the materials as specified in RFQ 21-340 (e.g., collection time and frequencies).

The service level provided varies based upon the number of units, available space and configuration at each condominium property. The service level at the majority of condominium properties is two to three collection cycles per week.

Bidders could submit bids for one area, at minimum, and up to all three areas. The prices submitted are based on monthly and unit rates for each area per year, to service the condominium properties as specified in RFQ 21-340. Provisions have been made to add or remove condominium units (e.g., new builds) during the three-year period, at the successful bidder's unit price rates for each service. The total bid price in each area is the total price over three years for the services as specified in the RFQ. The bids submitted were reviewed to ensure compliance with RFQ requirements and subsequently evaluated based on the price in each area.

Bidders were requested to supply proposal submission information including information with regards to corporate profile, policies on health & safety and diversity & inclusion, reference experience, qualifications, proposed collection fleet, proposed containers, maintenance (including sustainability considerations), team members, customer service approach, training, and collection reporting. Bidders on this RFQ are required to meet the Municipality's "Living Wage" provisions for work under this agreement. The introduction of clear bags for garbage at condominium properties has been included in the specifications for this agreement.

Bids were received from three proponents as follows:

- Green For Life Environmental (GFL)
- Miller Waste
- Royal Environmental (REgroup)

Table 1 shows the recommended bidder's total bid price for each area and the three-year bid price (i.e. the successful bidder's total price for the 3-year term) based on the cost submission form. The bid price varies from the financial impact to HRM depending on the actual services delivered for the Municipality as outlined in the Financial Implications section of this report.

Table 1 – Recommended Bidder for Each Area and 3-Year Bid Price

Area (# of Condominium Units)	Recommended Bidder	3-Year Bid Price (inc. net HST)
A – Halifax/Western County (6,326)	Green For Life Environmental	\$1,009,657.47
B – Dartmouth/Cole Harbour (2,207)	Royal Environmental (REgroup)	\$475,646.40
C – Bedford/Sackville (1,324)	Miller	\$388,472.19
Total Bid Price	N/A	\$1,873,776.06

The total bid price over three years for the collection service scope as outlined in the RFQ is \$1,796,766.64 plus net HST of \$77,009.42 for a total of \$1,873,776.06.

FINANCIAL IMPLICATIONS

Table 2 below provides the projected cost to HRM from fiscal year 2021/22 to 2023/24 based on the recommended award for RFQ 21-340. For fiscal year 2021/22 the projected costs for HRM are based on the existing condominium collections contracts for April to October 2021 and the new award recommendation per RFQ 21-340 for November 2021 to March 2022. The three-year total financial impact shown in Table 2 is \$1,710,269.86 and varies from the total bid price of \$1,873,776.06 due to the impact of the existing contracts in fiscal year 2021/22 and due to various unit prices considerations in evaluating the bids.

Table 2 – Yearly Total Cost (3 Years) Based on Recommended Award of RFQ 21-340

Fiscal Year	Yearly Total Cost (inc. net HST) ¹	Percent Change in Comparison to Previous Fiscal Year
21/22	\$487,397.13 ²	26.39%
22/23	\$604,094.52	23.94%
23/24	\$618,778.21	2.43%
Total Cost	\$1,710,269.86	

¹Yearly costs are based on servicing the same current number of condominium properties/units

²The financial impact to HRM for the new agreements, based on RFQ 21-340, for fiscal year 2021/22 is \$249,183.78 for November 1, 2021 to March 31, 2022.

Funding is available in the approved 2021/22 Operating Budget, Account # R322-6399 – Collection. Future fiscal year requirements will be brought forward for Council’s consideration as part of the regular budget process.

The actual year to year budget for collection services (including condominium collection services) is confirmed by Regional Council through the budget process.

RISK CONSIDERATION

The potential risks related to this RFQ are considered minor and able to be mitigated should they occur. All three recommended bidders are currently or have previously provided condominium and/or curbside collection services for HRM.

COMMUNITY ENGAGEMENT

No community engagement was required.

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.

As part of the new condominium collection agreements, bidders will be required to submit monthly data such as fuel consumption and distance travelled to support the Municipality in determining the greenhouse gas footprint of the condominium collection program. This information can be used to assess the impact of future of greenhouse gas mitigation efforts.

ALTERNATIVES

Regional Council could choose not to approve the recommendation

ATTACHMENTS

No attachments.

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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