

Township of Chatsworth Council Agenda- Special Meeting

Tuesday April 19, 2016 at 7:00 pm

Joint meeting with West Grey and Grey Highlands

To be held at the Flesherton KinPlex, 2 Highland Drive, Flesherton, ON

Open House at 6:00 p.m.

- 1) **Call to Order: 7:00 p.m.**
- 2) **Opening Ceremonies:**
- 3) **Adoption of Agenda:**
- 4) **Disclosure of Pecuniary Interest:**
- 5) **Minutes of Previous Meetings:**
- 6) **Public Meetings:**
- 7) **Deputations:**
- 8) **Accounts:**
- 9) **Reports/Recommendations/Quotes/RFP:**
- 10) **Unfinished Business:**
- 11) **New Business:**

11.1 Overview of the results of the Request for Proposals Process for the Joint Environmental Services initiative (attachment)

- 12) **Information Items:**
- 13) **Closed Meeting Session:**

- 14) **Agreements**
- 15) **By-Laws:**
- 16) **Adjournment:**



*West
Grey*



A Report of the Multi-Municipal Waste Committee

To the Councils of Chatsworth, West Grey and Grey Highlands

Re: Cooperative Curbside Waste Management - Request for Proposals

Prepared by: Gary Everett

Project Manager

Continuous Improvement Fund

Date: April, 19th, 2016

1.0 BACKGROUND:

In 2013 the Continuous Improvement Fund (CIF) agreed to provide funding and consulting support to the Municipality of Grey Highlands for the development of a joint collection RFP for Grey Highlands and neighbouring communities.

Over the next two years the group researched a variety of options for proposed waste management program changes designed to yield economies of scale, program cost savings and waste management promotion/education efficiencies. In 2015, Councils from the participating municipalities approved the issue of a joint RFP to obtain proposals for managing municipal waste. Councils reviewed and supported the process and list of options.

2.0 RFP PROCESS:

The RFP was prepared, based on staff and council input, with the assistance of Gary Everett. The RFP was issued December 16th, 2015 and closed February 19th, 2016. Proposals received on time were evaluated by a multi-municipal evaluation team on March 15th and 29th, 2016, and the results of the evaluation and recommendations of the evaluation team follow below.

In an effort to promote local business, proposals were permitted for the supply of any or all services including; curbside and/or depot collection and

delivery of recycling to a materials recovery processing facility (MRF), processing recyclables at a MRF, collection and hauling of curbside waste and waste transfer bins to a local landfill and a number of separate waste management options. (See Schedule B).

Under the terms of the RFP, Proponents were required to submit proposals with technical components in one envelope and cost information in a second sealed envelope. Proponents were required to firstly obtain a passing grade on their technical submissions or price information was left unopened. This two envelope system (considered a best practice in Ontario) is intended to ensure only proposals that meet the necessary technical requirements of the project are considered thereby reducing the number of incomplete, unqualified and/or "low-ball" price submissions and ultimately the number of costly change orders, negotiations or litigation should a contract be awarded.

All proposals were evaluated first on their technical submissions out of 100 total points divided into 15 separate categories of technical components. (See Schedule "A" for technical submission requirements). Technical submissions from each proponent were scored by the full evaluation team who discussed and debated each sub-criterion score and agreed on a single group consensus score up to the maximum value assigned to each criterion. (See Schedule A).

Provided proponents scored enough points to exceed the passing threshold of 63.5 points, set Feb. 9, 2016, by the evaluation team, their proposal cost envelopes were opened. A typical range for the technical score passing threshold is between 60 - 80 points. The evaluation team thoroughly debated the passing threshold and fixed a passing score of 63.5 at the low end of the scale to enable smaller, newer, less well equipped and/or less experienced proponents to pass the minimum technical requirements. A passing score fixed above 80 may result in exclusion of all but the largest corporations.

Each RFP option price evaluated from qualified proponents was assigned points on the basis of the lowest price awarded a maximum 60 points and each subsequent qualified proposal price then divided into the lowest price with the result multiplied by 60, resulting in a proportional financial score assigned to each option submitted.

Financial scores were added to technical scores to yield an overall score, out of a total of 160 points, for each option submitted by each qualified proponent. The highest overall scoring proponent for a specific option is the top ranked (preferred) proponent recommended by the evaluation team.

2.1 RFP RESULTS:

- 5 proposals were received before the closing deadline and were evaluated based on 15 separate technical criteria. (Schedule A.)
- The full multi-municipal evaluation team carefully reviewed each proposal and assigned a consensus score of up to 100 total points on technical elements and up to 60 points on cost to each option proposed.
- 1 proposal was rejected prior to evaluation for failure to submit adequate technical submissions. 1 proponent failed to pass the minimum technical score and 3 proponents exceeded the minimum technical score and were subsequently evaluated on their cost submissions for each option they bid.

Table 1 shows the consensus scoring (combined technical and financial) for the three top ranked service options as prioritized by the evaluation team. Analysis follows in section 3 below.

**Table 1
Top Ranked RFP Options - Consensus Scoring Results**

1. Processing Recyclables	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	90
Canadian Waste Management	80
2. Bi-Weekly (Same Day) Recycling & Waste Collection	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	116
Canadian Waste Management	91
3. One Side Single Pass Collection	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	78
Canadian Waste Management	No Bid

3.0 ANALYSIS OF OPTIONS:

- 3.1. Of the 21 requested and alternative proposals submitted (Schedule B) the evaluation team has prioritized options 1-3 above as the top tier for immediate consideration by Councils.
- 3.2. Of the remaining proposals submitted, the evaluation team has prioritized options 4-12 and 20-21 (see Schedule A) as the second tier for consideration for adoption by Councils following additional staff research and financial analysis to follow in a separate report.
- 3.3. The evaluation team does not recommend any options for collection, processing and supply of green bins for kitchen organic waste. (Options 13, 14 or 19). The cost to supply green bins, collect and process kitchen organics would exceed 1.2 million dollars plus tax in the first year of operation. Prior to considering this significant expenditure, at least 1 year of field testing green bin sizes/types, participation/capture rates and collection frequency is recommended across several communities to determine optimum system specifications for the entire service area.
- 3.4. No proposals were submitted for option 15, collection/disposal of municipal household special waste. (Formerly known as HHW, household hazardous waste).
- 3.5. Options 16-18 are alternatives for hauling bins between WDS sites and hauling recyclables from WDS sites to a processing facility. These options require additional research and cost analysis by staff before a recommendation for adoption or dismissal can be made and presented to Councils in a separate report from staff.

4.0 IMPACT OF RFP RESULTS ON PROGRAM COSTS AND SERVICES

Table 2 below sets out the current service levels in each municipality compared to the top ranked service levels received under the RFP.

**Table 2
Current Recycling and Waste Collection Services**

	Grey Highlands	Chatsworth	West Grey
Curbside Recycling	Service provider A collects Every other week	Service Provider C collects both every other week, one truck for both items	Service Provider C collects both every other week, one truck for both items
Curbside Waste	Service provider B collects weekly		
<ul style="list-style-type: none"> • Three vendors servicing three municipalities • All current contracts expire June 30, 2016 			

Top Ranked Recycling and Waste Collection Services

	Grey Highlands	Chatsworth	West Grey
Curbside Recycling	One service provider collects both items every other week, both materials on the same truck		
Curbside Waste			
<ul style="list-style-type: none"> • One vendor servicing all 3 municipalities • Proposed contracts expire in 2021 plus up to 2 - 1 yr. extensions 			

Table 3 below sets out the estimated annual costs to provide the existing service levels in each municipality, under a new joint contract, compared to current costs.

**Table 3:
Estimated Annual Program Cost Impacts
(Current Service Levels for Recycling and Waste)**

		Grey Highlands	Chatsworth	West Grey	Combined
Current Service Levels 2015 Program Costs	Curbside Recycling Collection	\$299,614 ¹	\$110,780 ¹	\$140,652 ²	
	Recycling Processing				
	Depot Recycling Bins			\$37,199	
	Curbside Waste Collection	\$282,579	\$110,780	\$225,217	
	Depot Waste Tsf Bins	\$21,650	n/a	\$10,928	
	Total	\$603,844	\$221,560	\$413,996	
Current Service Levels New RFP Est. Costs	Curbside Recycling Collection	\$214,363 ⁴	\$114,300 ⁴	\$368,559 ⁴	
	Recycling Processing	\$4,845 ³	\$2,333 ³	\$4,035 ³	
	Depot Recycling Bins	\$59,280 ⁵	\$12,285 ⁵	\$42,904 ⁵	
	Curbside Waste Collection	\$270,000 ⁴	\$180,000 ⁴	\$320,000 ⁴	
	Depot Waste Tsf Bins	\$14,300 ⁵	n/a	\$7,150 ⁵	
	Total	\$562,788	\$308,918	\$742,648	
Estimated Difference					
\$	(decrease) -\$41,056	(increase) \$87,358	(increase) \$328,652	(increase) \$374,954	
%	-7%	39%	79%	30%	

1. Includes recycling processing, recycling depot bin rental and haul
2. Includes recycling processing
3. Est. cost is net of revenue (based on 2015 historical commodity prices)
4. Top ranked proponents for recycling: Waste Management Corp, waste: Mid Ontario Disposal
5. Cost for bin haul recyclables from all sites based on 40 yd. roll-off trains.
 - Costs do not include HST

Based on the cost information received in the three tier 1 top ranked RFP options, a preliminary financial analysis estimates that approximately \$518,000 in annual group savings would be achieved if a new contract is awarded for the top ranking collecting and processing options. The proposed options include:

1. Bi-weekly, same day, collection by Waste Management Corp.
2. Recycling processing in Mount Forest by Waste Management Corp.
3. 50% revenue from sale of recyclables credited to municipalities
4. One sided rural road collection

Table 4 below compares the current program costs for each municipality to the top ranked RFP options costs.

**Table 4:
Estimated Annual Program Cost Impacts
For Current Services vs. Top Ranked RFP Options**

		Grey Highlands	Chatsworth	West Grey	Combined
2015 Current Costs	Curbside Recycling Collection	\$299,614	\$110,780	\$140,652	
	Recycling Processing	\$4,845	\$2,333	\$4,035	
	Depot Recycling Bins	\$59,280	\$12,285	\$37,199	
	Curbside Waste Collection	\$282,579	\$110,780	\$225,217	
	Depot Waste Tsf Bins	\$21,650	n/a	\$10,928	
	Total	\$603,844	\$221,560	\$413,996	\$1,239,400
Top Ranked RFP Options *Bi-Weekly Collection in Grey Highlands	Curbside Recycling Collection	\$104,975	\$86,715	\$110,167	
	Recycling Processing	\$4,845 ³	\$2,333 ³	\$4,035 ³	
	Depot Recycling Bins	\$59,280 ¹	\$12,285 ¹	\$14,300 ¹	
	Curbside Waste Collection	\$104,975	\$86,715	\$110,167	
	Depot Waste Tsf Bins	\$14,300 ²	n/a	\$7,150 ²	
	Single Pass Rural Collection	-\$15,000	program already in place	-\$15,000	
	Total	\$273,375	\$188,048	\$259,423	\$720,846
Estimated Difference					
\$	-\$330,469	-\$33,512	-\$154,573	-\$518,554	
%	-55%	-15%	-37%	-42%	

1. Includes bin rental and costs to service WDS 40 yd. recycling bin delivery to MRF (cost for bin movements based on roll-off trains option) Note: Proposal to service WDS with Front End Load bins may be significantly less expensive).
2. Includes bin rental and transfer to WDS
3. Net of revenue (annual revenue based on 2015 commodity prices)
 - Costs do not include HST

- Top ranked proponent for recycling/waste collection and processing is Waste Management Corp.

5.0 RECOMMENDATIONS:

Based on the above RFP results and subsequent financial analysis, the following recommendations are submitted for Councils consideration:

As part of the RFP evaluation process (RFP Part 1, Section 1.21) negotiation of the scope of work prior to recommendation of a preferred proponent and/or award of any contract is permitted. Therefore, it is recommended that Councils pass resolutions authorizing staff and/or their designates to:

1. Enter into negotiations with Proponent Waste Management Canada Corp., for recycling processing and collection/hauling all curbside recycling and waste bi-weekly and to finalize scope of work and contract terms and failing agreement on terms, to enter into negotiations with the next highest ranked proponent.
2. Enter into negotiations with Proponent Waste Management Canada Corp., for hauling recyclables from WDS depots to the recycling processing facility and waste between WDS using the most cost effective method available and to finalize scope of work and contract terms and failing agreement on terms, to enter into negotiations with the next highest ranked proponent.
3. Report back to Councils on results of the above activities including:
 - a. A recommendation on finalizing the preferred collection and processing proponent and the practicality of entering a contract with the preferred proponent.
 - b. A draft Memorandum of Understanding between the participating municipalities detailing the terms and conditions of operating a joint waste management contract.

Prepared by/ Submitted By: Gary Everett

Co-Chaired by: Municipal Council members from Chatsworth, West Grey and Grey Highlands

SCHEDULE "A"
Technical Proponent Submission Requirements

Item	Category	Weight Value
1.	Company Profile	15
2.	Experience	15
3.	Certificates of Approval	2
4.	Organizational Plan	8
5.	Health and Safety Plan	1
6.	Training Plan	4
7.	Facilities	10
8.	Vehicles and Equipment	12
9.	Transition and Start-up Plan	8
10.	Operating Plan	10
11.	Environmental Considerations	1
12.	Communication Plan	5
13.	Quality Control / Quality Assurance Plan	3
14.	Customer Service / Complaints Management	5
15.	Business Interruption / Contingency Plan	1
TOTAL		100
Minimum Passing Score		63.5

Financial scores were added to technical scores to yield an overall score, out of a total of 160 points for each option submitted by all the qualified proponents. The highest overall scoring proponent for each option is the top ranked (preferred) proponent recommended by the evaluation team.

SCHEDULE "B"
RFP Options Evaluated

4. Bi-Weekly Recycling & Weekly Waste Collection	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	123
Canadian Waste Management	115

5. Curbside Collection Recyclables & Delivery To MRF (status quo)	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	133
Canadian Waste Management	No Bid

6. Curbside Collection Waste & Delivery To Designated Landfill (status quo)	Consensus Score
Waste Management Canada Corp	131
Mid Ontario Disposal	137
Canadian Waste Management	No Bid

7. Clear Bag Waste Collection	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	137
Canadian Waste Management	No Bid

8. All Waste Delivered To Markdale	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	78
Canadian Waste Management	No Bid

9. All Waste Delivered To Proponent Landfill	Consensus Score
Waste Management Canada Corp	Alternate Bid
Mid Ontario Disposal	137
Canadian Waste Management	No Bid

10. Curbside Only Waste Delivered To Proponent Landfill	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	122
Canadian Waste Management	No Bid

11. Supply Customer Complaint Service	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	78
Canadian Waste Management	69

12. Battery Collection Events	Consensus Score
Waste Management Canada Corp	91
Mid Ontario Disposal	137
Canadian Waste Management	70

13. Kitchen Organics Collection & Processing	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	91
Canadian Waste Management	104

14. Supply, Assemble, Deliver 80L. Green Bins	Consensus Score
Waste Management Canada Corp	103
Mid Ontario Disposal	Alternate Bid
Canadian Waste Management	101

15. Municipal Household Special Waste (Formerly HHW)	Consensus Score
Waste Management Canada Corp	No Bid
Mid Ontario Disposal	No Bid
Canadian Waste Management	No Bid

Alternative Pricing Proposals Received

16. WDS Front End Loader Service Haul Recycling to MRF	Consensus Score
Waste Management Canada Corp	No Bid
Mid Ontario Disposal	137
Canadian Waste Management	No Bid

17. Haul Bins Between WDS (Flat Rate/Lift)	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	No Bid
Canadian Waste Management	No Bid

18. Haul Recycling Roll Off Trains To Mount Forest MRF	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	No Bid
Canadian Waste Management	No Bid

19. Flat Rate Kitchen Organics Collection (Urban Centers Only)	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	No Bid
Canadian Waste Management	No Bid

20. Flat Rate/Lift WDS Only Waste To Proponent Landfill	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	No Bid
Canadian Waste Management	No Bid

21. Flat Rate Curbside Only Waste To Proponent Landfill	Consensus Score
Waste Management Canada Corp	143
Mid Ontario Disposal	No Bid
Canadian Waste Management	No Bid