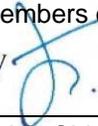


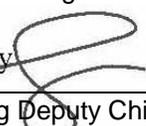


P.O. Box 1749
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Item No. 14.1.1
Halifax Regional Council
April 26, 2016

TO: Mayor Savage and Members of Halifax Regional Council
Original Signed by 

SUBMITTED BY: _____
John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: March 10, 2016

SUBJECT: **Award – Tender No. 16-017, The Receipt and Management of Separately Collected Leaf & Yard Waste and/or Christmas Trees and/or Additional Organics Capacity**

ORIGIN

The expiration of the Municipality's existing contracts for the receipt and management of separately collected leaf and yard waste and Christmas trees and the expiration of existing pricing agreement for additional organics capacity.

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. The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Halifax Regional Council award Tender No. 16-017, The Receipt and Management of Separately Collected Leaf & Yard Waste and/or Christmas Trees and/or Additional Organics Capacity to the lowest bidder meeting specifications for each Service as noted below and at the prices provided below with annual funding from Operating Account #'s R324 6399 and R325 6399 as outlined in the Financial Implications section of this report:

Service A - Receipt and Management of Separately Collected Residential Leaf & Yard Waste to Earthco Premium Soils Inc. for a one year period commencing October 1, 2016 at a total tender price of \$49,536. (net HST included) with an option (at HRM's sole discretion) for two one year extensions at a total tender price of \$50,527.(net HST included) for the first extension year and at a total tender price of \$51,537.(net HST included) for the second extension year.

Service B - Receipt and Management of Separately Collected Christmas Trees to Earthco Premium Soils Inc. for a one year period commencing December 27, 2016 at a total tender price of \$7,196. (net HST included) with an option (at HRM's sole discretion) for two one year extensions at a total tender price of \$7,196. (net HST included) for the first extension year and at a total tender price of \$7,196. (net HST included) for the second extension year.

Service C - Additional Organics Capacity to Fundy Compost Inc. for a three year period commencing April 1, 2016 (or upon contract award) with delivery of 2,500 tonnes per year at a total tender price of \$195,000 (year one) plus \$202,500 (year two) plus \$210,000 (year three) = \$607,500 plus net HST (\$26,038.) for a three year total price of \$633,538. (net HST included).

BACKGROUND

The processing of separately collected leaf and yard waste (separate from green cart organics), separately collected Christmas trees, and additional organics capacity are three components of Solid Waste Resources' Organics capacity operating plan. The separate collection and processing of leaf and yard waste during peak seasons (up to ten weeks, Spring and Fall), and Christmas trees during the three or so weeks after Christmas in January, helps enable the Municipality to satisfy the operational and/or contractual requirements of its agreements with Miller Composting and New Era Technologies, which have a weekly tonnage capacity limit, and to comply with the NS Department of Environment landfill ban on the disposal of compostable leaf and yard waste and organic material.

By processing some leaf & yard waste and Christmas trees at separate facilities during these known high generation periods, Halifax helps to maintain the two centralized composting facilities within their capacity operational limits. However, there are also periods of the year both during peak leaf and yard waste seasons and other months that additional organics capacity is also needed to meet the organics processing capacity requirements of the Municipality. During these periods, Halifax engages additional organics capacity from a separate composting facility based on a per tonne fee for delivery of loads of source-separated organics each week, as needed (with annual deliveries exceeding 2,500 tonnes).

Growth in residential and commercial organics, both seasonally and annually, can present challenges to manage the weekly tonnage of material collected. Since the Fall of 2000, HRM has had to collect some leaf and yard waste and Christmas trees separately during peak seasons and divert the material to private facilities (other than Miller and New Era). Since 2005, HRM has also had to ship and divert additional organics to separate composting facility(s) during peak periods of the year. The award of this Tender No. 16-017 helps the Municipality manage its organics processing needs (and the risks of insufficient capacity) throughout the higher generation periods of the year (Services A, B and C). The service providers for Services A and C must obtain and maintain all required regulatory approvals for providing these services.

DISCUSSION

Tenders were called on January 29, 2016 and closed on February 25, 2016. Bidders could bid on any one or all of the following three services:

- a) Service A - Receipt and Management of Separately Collected Residential Leaf and Yard Waste;
- b) Service B - Receipt and Management of Christmas Trees from Eligible Properties; and
- c) Service C - Additional Organics Capacity

Four firms submitted bids (see Table 1). The prices submitted for Services A and B are for an initial one year period with two optional one year extensions (at HRM's sole discretion) and include net HST. The low bidders for each service are recommended (prices in bold) and they met the specifications of the tender call. The yearly prices are for receiving and processing all separately collected leaf and yard waste over an eight to ten week period in the Spring and Fall, and the separately collected Christmas trees over a three or so week period in late December and early January. For the additional organics capacity, bidders submitted a per tonne fee for processing the yearly quantity of material (2,500 tonnes) and the yearly price is based upon this expected annual tonnage shipped and diverted to this facility which occurs periodically when needed generally between the months of April and December (but additional organics can be delivered at the same per tonne rate each year).

The total price quoted for processing leaf and yard waste in the initial year of these services is approximately 25% lower than the current year pricing for these same services. The total price quoted for Christmas trees processing in the initial year of these services is approximately 8% below the current year pricing for these same services. The unit price (per tonne fee) for additional organics capacity services is approximately 0.6% more in the initial year of these services than the existing pricing agreement for these services.

Table 1

Bidder	Service A - Separate Leaf & Yard Waste (inc. net HST)	Service B - Separate Christmas Trees (inc. net HST)	Service C - Additional Organics Capacity (inc. net HST) Per Tonne for 2,500 T = Yearly Price
Earthco Premium Soils	Initial Year \$49,535.85* Year 1 Ext. \$50,526.57* Year 2 Ext. \$51,537.10*	Initial Year \$7,195.73* Year 1 Ext. \$7,195.73* Year 2 Ext. \$7,195.73*	
Fundy Compost Inc.	No Bid	No Bid	Year 1 \$81.34* (\$203,357.70) Year 2 \$84.47* (\$211,179.15) Year 3 \$87.60* (\$219,000.60)
Kel-Ann Organics	Initial Year \$67,785.90 Year 1 Ext. \$68,828.76 Year 2 Ext. \$69,871.62	No Bid	No Bid
Kynock Resources Ltd.	No Bid	Initial Year \$13,557.18 Year 1 Ext. \$13,557.18 Year 2 Ext. \$13,557.18	No Bid

* Recommended service provider(s).

FINANCIAL IMPLICATIONS

Based on the recommended service providers for Services A, B and C in year one, the estimated year one cost is \$260,089. from the tendered prices (Service C will vary depending on actual tonnes delivered above the 2,500 tonnes yearly estimate). Funding is provided in the yearly Solid Waste Resources Operating Budget Accounts R324 6399 and R325 6399, Composting Facility(s). The budget availability has been confirmed by Finance.

The balance of funds in these two accounts will be used for operation of the two centralized composting facilities in Burnside and Ragged Lake business parks.

RISK CONSIDERATION

As noted above, the award of this tender is needed to enable the Municipality to have the capacity to process all the organic materials generated throughout the year. The award of this tender also provides some contingency capacity in the event of any temporary processing interruption at either the Burnside or Ragged Lake composting facility.

There are no significant risks associated with the recommendations in this report. The risks considered rate low.

Risks considered were organics capacity requirements, service delivery and regulatory approvals.

ENVIRONMENTAL IMPLICATIONS

The tendered services contribute to processing capacity to achieve the goal of diversion of organics from landfill.

ALTERNATIVES

There are no recommended alternatives.

ATTACHMENTS

N/A

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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Original Signed