

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: RFT-2023- 224 Removal & Management of Hazardous & Special Products

Date: September 12, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the award of the work outlined in Request for Tender (RFT-2023-144) Removal & Management of Hazardous & Special Products:

- a) The tender submitted by GFL Environmental Services Inc., 203 Lottridge Street, Hamilton, Ontario, L8L 6W1, for Removal & Management of Hazardous & Special Products **BE ACCEPTED** at their tendered unit rates including the optional additional unit rates (excluding HST) listed in Appendix A, it being noted that this is being reported as an irregular tender result as per the Procurement of Goods and Services Policy Section 8.10 (a) as the annual estimated net cost of approximately \$360,000 (net of Producer Responsibility Organization funding) of the lowest compliant tender exceeds the 2023 Council approved budget amount for this service.
- b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this work; and
- c) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval.

Executive Summary

Hazardous & Special Products Depot W12A Landfill Site

The City of London operates a Hazardous & Special Products Depot (HSP Depot) at the W12A landfill site located at 3502 Manning Drive, where residents can drop off household items that might be flammable, corrosive, toxic, explosive or require special handling for end-of-life management and disposal. Common examples of these items include but are not limited to the following: household cleaners and chemicals, paint, waste fuels, oils & lubricants, aerosols, batteries, and fluorescent lamps.

The materials received at the HSP Depot are sorted and prepared accordingly for pick-up and transport. The services required, for pick-up, transport, and end-of-life management for materials that are not 100% funded and managed by Producer Responsibility Organizations (PROs) are provided by the private sector and contracted out by the City through the appropriate procurement process (e.g., Tender).

EnviroDepots

Residents can drop off some but not all the same HSP materials at the EnviroDepots. The HSP materials that can be dropped off at the EnviroDepots include batteries, fluorescent light bulbs and tubes, empty oil and antifreeze containers, and propane tanks. RFT-2023-144 included optional additional pricing to remove and manage some of these materials from EnviroDepots as well.

Procurement Process

Request for Tender (RFT) 2023-144 Removal & Management of Hazardous & Special Products was issued on June 29, 2023, and closed on July 20, 2023. Initially three bidders registered by downloading the RFT documents and received the Addenda. At time of closing, two bids were received.

Results

The tender submitted by GFL Environmental Services Inc., was the lowest of the two compliant tenders received. The estimated annual net cost (combination of variability in the amount of materials received each year and the Producer Responsibility Organization funding received) of the bid submitted by GFL Environmental Services Inc., is \$360,000. The tender result is considered irregular in accordance the Procurement of Goods and Services Policy Section 8.10 (a), as the estimated annual net cost exceeds the 2023 Council approved budget amount of \$173,168 for this service.

Need to Capture HSP Materials Prior to Waste Disposal

London has been operating a HSP Depot for over 35 years, since 1987. The number of visitors that attend the HSP Depot range between 10,000 and 12,000 per year.

When household hazardous and special waste is not properly handled, it can become a health and safety concern for individuals and families, sanitation workers, municipal infrastructure, and the environment. When household special wastes end up in landfills, they increase the risk of leakage of their contents, which increases the cost and complexity of leachate management at landfills.

Future Funding Opportunities Under Extended Producer Responsibility

Similar to other municipalities in Ontario, the cost of managing HSP materials has increased despite some materials now being fully paid for by producers of these products. These concerns have been brought to the attention of the province by a number of waste management organizations, including the Association of Municipalities of Ontario (AMO).

Cost increases are attributed to collection increases for vehicles, fuel, labour, insurance and processing increases for both recycling activities or final disposal. Supply chain issues have also caused some disruption.

City staff will continue to work alongside other municipalities and AMO to ensure the Province has the research findings and rationale it requires to expand the range of materials included in extended producer responsibility programs.

Linkage to the Corporate Strategic Plan

Municipal Council continues to recognize the importance of waste management and the need for a more sustainable and resilient city in the development of its 2023-2027 Strategic Plan for the City of London. Specifically, London's efforts in waste management address the following Areas of Focus; Climate Action and Sustainable Growth and Well-Run City.

On April 23, 2019, the following was approved by Municipal Council with respect to climate change:

Therefore, a climate emergency be declared by the City of London for the purposes of naming, framing, and deepening our commitment to protecting our economy, our eco systems, and our community from climate change.

On April 12, 2022, Municipal Council approved the Climate Emergency Action Plan which includes Area of Focus 5, Transforming Consumption and Waste as Part of the Circular Economy. In addition, the 60% Waste Diversion Action Plan, including the Green Bin program, addresses various aspects of climate change mitigation within the waste management services area including greenhouse gas (GHG) reduction.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Relevant reports that can be found at www.london.ca under Council meetings include:

- Request for Tender (RFT) 19-83 – Removal and Management of Municipal (Household) Hazardous and Special Waste – Irregular Result, (July 23, 2019 meeting of the Civic Works Committee (CWC), Item #2.7)

1.2 HSP Depot Operations

The HSP Depot is located at the W12A landfill site (3502 Manning Drive). Residents can drop off household items that might be flammable, corrosive, toxic, explosive or require special handling for end-of-life management and disposal. Common examples of these items include but are not limited to the following: household cleaners and chemicals, paint, waste fuels, oils & lubricants, aerosols, batteries, and fluorescent lamps.

Residents can also drop off some HSP items at different retail locations in London such as: paint, fluorescent tubes, batteries, some automotive materials (e.g., antifreeze, empty oil containers, oil filters).

The HSP Depot at the W12A landfill site is the only location within the City of London where residents can drop off all the HSP materials discussed in the paragraphs above.

2.0 Discussion and Considerations

2.1 Procurement Process

Request for Tender (RFT) 2023-144 Removal & Management of Hazardous & Special Products was issued on June 29, 2023, and closed on July 20, 2023.

The term of the contract is for a two-year period with two, one-year renewal options at the sole discretion of the City.

Initially three bidders registered by downloading the RFT documents and received the Addenda. At time of closing, two bids were received.

2.2 Results

Two compliant bids were received. The bid received from by GFL Environmental Services Inc., was the lowest of the two. The individual unit rates submitted by GFL Environmental Services Inc., are listed in Appendix A.

GFL Environmental Services Inc., is the incumbent service provider and has been providing this service (under different named operating entities) to the City of London since June 2015. The term of the last contract with GFL Environmental Services Inc., began in August 2021 and included two 6-month option periods that were exercised by the City. To date (i.e., since 2015), GFL Environmental Services Inc., has performed all aspects of the scope of work and there have been no service or performance related issues.

2.3 Producer Funding for Designated HSP Materials

Some of the HSP materials received and managed at the HSP Depot located at the W12A landfill are designated under regulation and have funding available through Producer Responsibility Organizations to assist with the cost of recovery and end of life

management through either recycling or appropriate disposal. For some items 100% of the cost is covered and for others, only a portion of the cost is covered.

2.4 Need to Capture HSP Materials Prior to Waste Disposal

London has been operating a HSP Depot for over 35 years, since 1987. The number of visitors that attend the HSP Depot range between 10,000 and 12,000 per year.

When household hazardous and special waste is not properly handled, it can become a health and safety concern for individuals and families, sanitation workers, municipal infrastructure, and the environment. When household special wastes end up in landfills, they increase the risk of leakage of their contents, which increases the cost and complexity of leachate management at landfills.

In the next five years, it is anticipated that there will be growth in the amount and variety of HSP materials recovered as producers increase their activities as the current extended producer responsibility programs mature.

2.5 Future Funding Opportunities Under Extended Producer Responsibility

Similar to other municipalities in Ontario, the cost of managing HSP materials has increased despite some materials now being fully paid for by producers of these products. These concerns have been brought to the attention of the province by a number of waste management organizations including the Association of Municipalities of Ontario (AMO).

Cost increases are attributed to collection increases for vehicles, fuel, labour, insurance and processing increases for both recycling activities or final disposal. Supply chain issues have also caused some disruption.

Many of the HSP items that London collects, like other municipalities, are not currently designated materials and under regulations that require producers to take greater responsibility. In some cases, they are designated, however, the EPR framework including collection and payment programs is still in its infancy stage. Materials that fall into these categories include corrosives, fertilizers, fire extinguishers, flammables, lead acid batteries, lubricating oil, switches that contain mercury, pharmaceuticals, and sharps. It is worth noting that many of these items are designated under producer responsibility regulations in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick and Nova Scotia.

City staff will continue to work alongside other municipalities and AMO to support the Provincial government in expanding the types of materials included in extended producer responsibility programs.

3.0 Financial Impact/Considerations

The annual estimated net cost (net of Producer Responsibility Organization funding) of the bid submitted GFL Environmental Services Inc., is approximately \$360,000, which is more than the 2023 Council approved budget amount of \$173,168 for this service. It should be noted that only approximately 50% of this cost increase will be incurred in 2023 because of the start date of the new contract.

The cost increase for 2023 can be absorbed in the existing Garbage and Recycling budget. The new cost of providing this service will be included in the development of the base budget for Waste Management as part of the 2024-2027 Multi-Year Budget.

Conclusion

The tender from GFL Environmental Services Inc., is the lowest of two compliant bids received and meets all terms and conditions of the City of London.

Award of this tender requires Council approval as the result is considered irregular in accordance the Procurement of Goods and Services Policy Section 8.10 (a), as the estimated annual net cost exceeds the 2023 Council approved budget amount for this service.

Prepared by: **Mike Losee, B.Sc.**
Division Manager, Waste Management

Prepared and Submitted by: **Jay Stanford, MA, MPA**
Director, Climate Change, Environment & Waste Management

Recommended by: **Kelly Scherr, P. Eng., MBA, FEC**
Deputy City Manager, Environment and Infrastructure

Appendix A GFL Environmental Services Inc. Removal and Management of Hazardous and Special Products Unit Prices

Appendix A
GFL Environmental Services Inc. Removal and Management of Hazardous and Special Products Unit Prices

Item	Description of HSP Material	Unit of Measure	Unit Price
1	Inorganic Acids (e.g., acidic cleaners rust stain remover drain opener concrete etch pH reducer etc.)	205 L Drum Lab Pack	\$225.00
2	Inorganic Alkaline Materials (e.g., alkaline cleaners ammonia mildew tile cleaner bleach cleaner lime sulphur etc.)	205 L Drum Lab Pack	\$225.00
3	Alkaline Wastes	205 L Drum Lab Pack	\$225.00
4	Fertilizers (e.g., transplant fertilizer Weed & Feed food spikes aluminium sulphate bone meal etc.)	205 L Drum Lab Pack	\$265.00
5	Smoke Detectors	205 L Drum Lab Pack	\$175.00
6	Inorganic Oxidizers (e.g., chlorinating bleach bromine tablets chlorinating tablets oxidizing cleaners etc.)	205 L Drum Lab Pack	\$265.00
7	Flammable Liquids (e.g., kerosene camping fuel etc.)	205 L Drum Lab Pack	\$155.00
8	Flammable Liquids (e.g., kerosene camping fuel etc.)	18 L Pail Bulk	\$25.00
9	Bulk Fuel (e.g., gasoline)	205 L Drum Lab Pack	\$125.00
10	Pesticides (e.g., insecticides pesticides algaecides garden sprays end cut preservative etc.)	205 L Drum Lab Pack	\$265.00
11	Waste Oils & Lubricants	205 L Drum Lab Pack	\$115.00
12	Waste Oils & Lubricants	1000 L Gaylord Box	\$575.00
13	Pharmaceuticals	205 L Drum Lab Pack	\$130.00
14	Organic Chemicals (e.g., acetone lacquer thinner degreaser wood preservative fuel conditioner sealant and asphalt undercoating etc.)	205 L Drum Lab Pack	\$155.00
15	Organic Chemicals (e.g., acetone lacquer thinner degreaser wood preservative fuel conditioner sealant and asphalt undercoating etc.)	18 L Pail Bulk	\$25.00
16	Organic Laboratory Chemicals	205 L Drum Lab Pack	\$155.00
17	Aerosols – mixed	205 L Drum Lab Pack	\$155.00
18	Aerosols - Fire Extinguishers	205 L Drum Lab Pack	\$160.00
19	Aerosols - Oxygen & compressed gases (e.g. one pound propane tanks) at HSP Depot W12A Landfill Site, Oxford Street EnviroDepot and Clarke Rd EnviroDepot.	205 L Drum Lab Pack	\$115.00
20	Aerosols - Oxygen & compressed gases (e.g. 20 pound refillable propane tanks)	1000 L Gaylord Box	\$0.00
21	Mixed Batteries	205 L Drum Lab Pack	\$275.00

Item	Description of HSP Material	Unit of Measure	Unit Price
22	Paint - Including wastes from the use of paints pigments and coatings.	1000 L Gaylord Box	\$525.00
23	Paint - Including wastes from the use of paints pigments and coatings.	205 L Drum Lab Pack	\$105.00
24	Paint - Including wastes from the use of paints pigments and coatings.	20 L Pail Bulk	\$20.00
25	Fluorescent Lamps (e.g., 1,2,3,4,5,6, foot fluorescent tubes) at HSP Depot W12A Landfill Site, Oxford Street EnviroDepot and Clarke Rd EnviroDepot	1000 L Gaylord Box	\$425.00
26	Fluorescent Lamps (e.g., LED CFL bulbs) at HSP Depot W12A Landfill Site, Oxford Street EnviroDepot and Clarke Rd EnviroDepot	18 L Pail Bulk	\$50.00