

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JULY 23, 2019
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR – ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	IRREGULAR RESULT REQUEST FOR TENDER (RFT) 19-83 REMOVAL AND MANAGEMENT OF MUNICIPAL (HOUSEHOLD) HAZARDOUS AND SPECIAL WASTE

RECOMMENDATION

That, on the recommendation of the Managing Director - Environmental & Engineering Services & City Engineer:

- a) RFT 19-83 **BE ACCEPTED** to provide service for removal and management of municipal (household) hazardous and special waste from the depot located at the W12A Landfill Site for an estimated annual cost of \$122,830 excluding HST from EnviroSystems Incorporated, 239 Lottridge Street, Hamilton, Ontario, L8L 6W1, in accordance with the 'Procurement of Goods and Services Policy' Section 8.10 Irregular Result, Clause b and Section 13.2 Clause b;
- b) Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this purchase; 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.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

None

STRATEGIC PLAN 2019-2023

Municipal Council has recognized the importance of solid waste management in its 2019-2023 - Strategic Plan for the City of London as follows:

Building a Sustainable City

London has a strong and healthy environment

- Increase waste reduction, diversion and resource recovery

Leading in Public Service

Londoners experience exceptional and valued customer service

- Increase community and resident satisfaction of their service experience with the City

BACKGROUND

PURPOSE

The purpose of this report is to seek approval from Committee and Council to award RFT 19-83 Removal and Management of Municipal Hazardous and Special Waste to EnviroSystems Incorporated, in accordance with the 'Procurement of Goods and Services Policy' Section 8.10 Irregular Result, Clause b and Section 13.2 Clause b.

The purchasing process for RFT 19-83 is considered an irregular result as only one bid was received.

CONTEXT

The Household Special Waste (HSW) Depot is located at the W12A Landfill site (3502 Manning Drive). Residents can drop off waste products that might be flammable, corrosive, toxic or explosive at the HSW Depot, where they can be safely recycled, reused or disposed.

Historical (1987 to 2018) resident use and the amount of household special waste that has been managed at the HSW Depot is identified in Figure 1. The composition of the materials managed in 2018 respectively is illustrated in Figure 2.

Londoners can also drop off many HSW items at different retail locations in London such as:

- paint
- oil
- pharmaceuticals
- batteries (car, dry cell and rechargeable)
- fluorescent bulbs and tubes

Figure 1

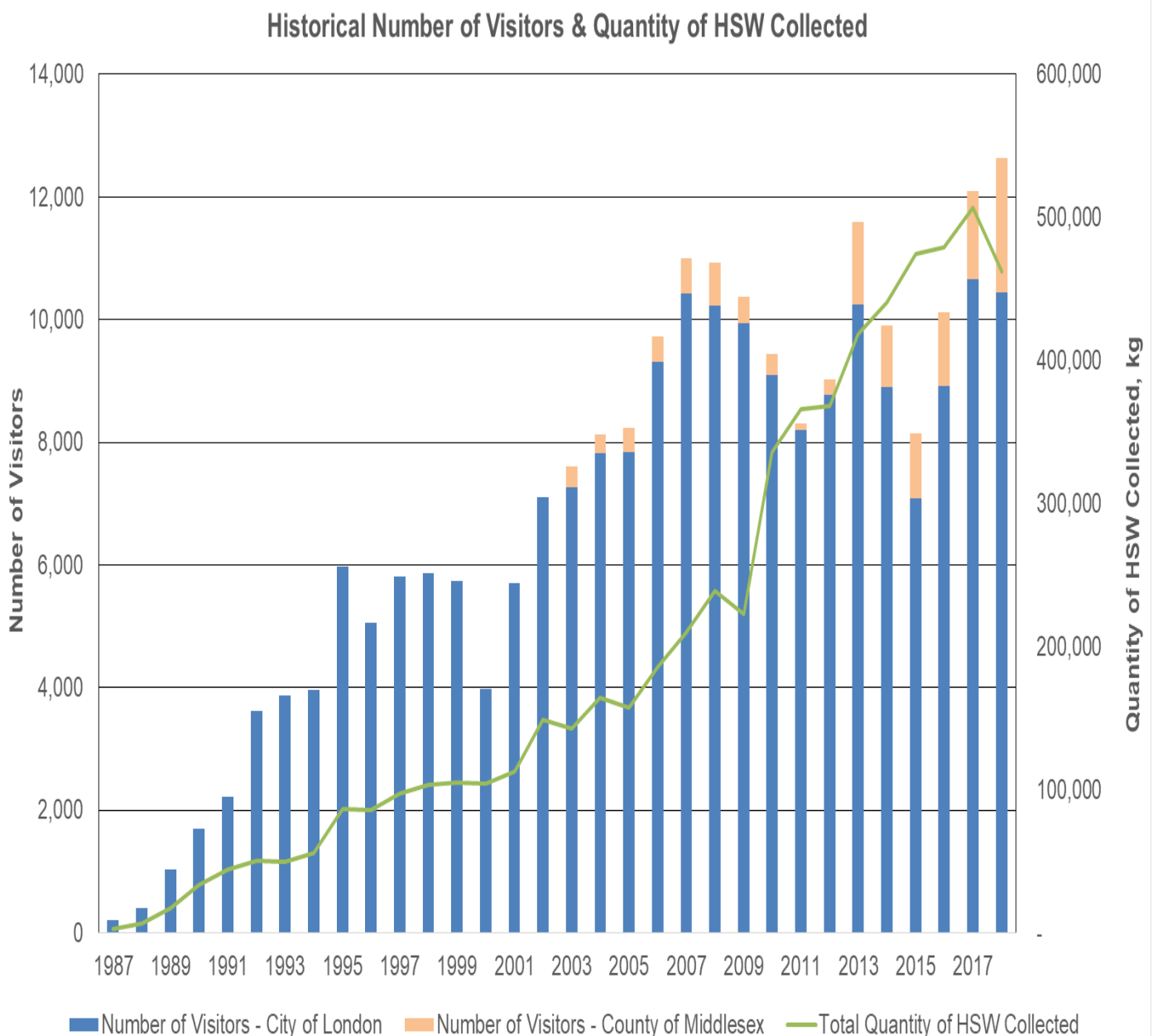
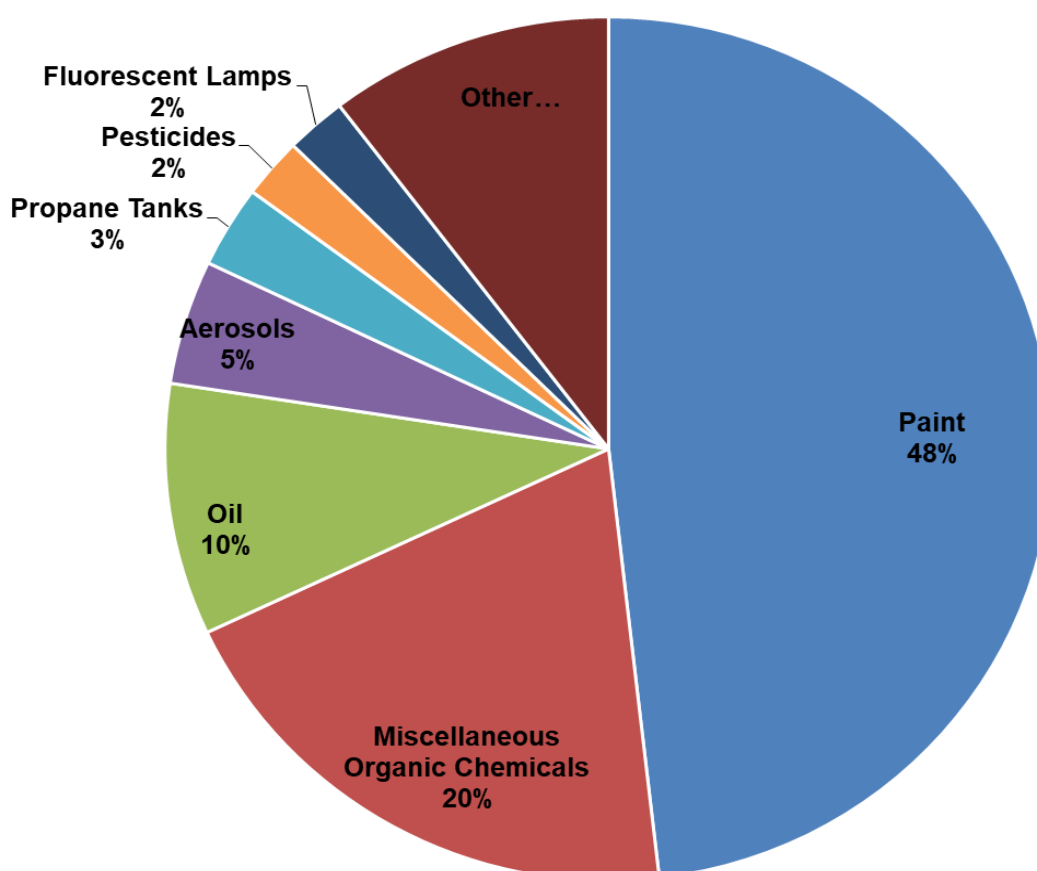


Figure 2
Breakdown of Materials
HSW Depot 2018



Note: "Other" includes items that are each less than 2% by weight of materials managed and includes: Batteries (car, dry cell and rechargeable), Inorganic acids/bases, fuel, antifreeze, oxidizers, empty automotive containers, fire extinguishers and pharmaceuticals

The HSW Depot is operated by City staff. Services for removal and management of the wastes received at the HSW Depot are contracted out. EnviroSystems Incorporated is the incumbent service provider and has been providing this service under the existing contract since June 1st, 2015.

DISCUSSION

Purchasing Process

Solid Waste Management initiated the RFT process for this service with Purchasing and Supply in May 2019. RFT 19-83 was issued on Bids & Tenders™ May 29, 2019 and closed on June 12, 2019.

Tender Results

Purchasing received one (1) bid submission on this tender:

Service Provider	Estimated Annual Price ⁽¹⁾ (excluding HST)
EnviroSystems Incorporated	\$122,830

(1) Actual costs depend on amount of material accepted at the HSW each year.

The Procurement of Goods and Services Policy (Section 19.4) specifies that RFTs that have irregular results require approval from Committee and Council.

Service Provider Performance

Envirosystems Incorporated is the incumbent service provider and has been providing this service to the City of London since June 1, 2015. To date Envirosystems has performed all aspects of the contract and there have been no service or performance related issues.

Financial Impact

The actual annual expenditures under the existing contract for this service have averaged \$115,000 for the last four years. The estimated annual expenditure of \$122,830 is an increase of approximately 7% over the four year historical average. A portion of the cost (approximately 10% to 15%) to remove and manage the waste materials accepted at the HSW Depot is currently paid for by industry (Stewards).

The province intends to transition the management of household special waste to full producer responsibility at the end of 2020. It is expected that under full producer responsibility, the funding received to manage materials dropped off at the HSW Depot will increase significantly.

Funding, under the existing model (i.e., prior to industry taking over) for this expenditure will be identified in the 2020-2023 multi-year budget. The potential additional funding to be received once the program is transitioned to full industry responsibility will be addressed as part of the monitoring process for the 2020-2023 multi-year budget.

CONCLUSION

Solid Waste Management in conjunction with Purchasing and Supply recommend that the bid from Envirosystems Incorporated be accepted for RFT19-83 Removal and Management of Municipal Hazardous and Special Waste for the estimated annual price of \$122,830 excluding HST. The new contract starts on August 1, 2019 and ends on July 31, 2020. There are two (2) six month contract extension options at the sole discretion of the city.

Acknowledgements

This report has been reviewed and supported by Purchasing & Supply.

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