

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 24, 2017

Item 1, Report No. 2, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on January 24, 2017.

1 AWARD OF RFP16-307 – RESIDENTIAL SOLID WASTE COLLECTION FOR CITY OF VAUGHAN

The Committee of the Whole recommends:

- 1) That the recommendation contained in the following report of the City Manager and the Director of Environmental Services, dated January 17, 2017, be approved; and**
- 2) That a staff report providing detail on extending waste collection services for multi-residential condominium corporations be provided in March 2017.**

Recommendation

The City Manager, and the Director of Environmental Services, in consultation with the Director of Procurement Services and the Director of Financial Planning and Development Finance/Deputy City Treasurer recommend:

1. That RFP16-307 Residential Solid Waste Collection for the City of Vaughan be awarded to Miller Waste Systems Inc. for an annual amount of \$8,722,629.90 excluding taxes for a term of eight (8) years (January 2, 2018 to December 31, 2025), with an option to extend the contract for two (2) additional, one (1) year periods. The unit prices may be adjusted every year including the optional extension periods, if any, in accordance with the annual rate of change in Consumer Price Index (CPI) with maximum ceiling of three (3)%;
2. That the staff be authorized to accommodate future development growth requirements and provisional items if necessary using the contract unit prices for each service within the Council approved annual budget and to approve amendments to the contract; and
3. That the Mayor and City Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

The waste collection programs provided by the City of Vaughan support Green Directions Vaughan, Community Sustainability Master Plan, Goal 1:

To significantly reduce our use of natural resources and the amount of waste generated by encouraging all residents to adopt more environmentally conscious choices and consider new ways to reduce their waste.

Our waste collection program supports regional goals set through York Region's SM4RT Living Plan (Integrated Waste Management Master Plan), by providing and promoting comprehensive diversion services. The City of Vaughan 2015 waste generation rate was 297 kg per capita, the second lowest in York Region, and on track to achieving the 2031 target rate of 289 kg per capita.

Economic Impact

The cost structure of the solid waste collection contract is based on unit rates. The unit rates for the first year of the contract are fixed, with an annual price adjustment allowed for inflation for each subsequent year of the contract term. The annual price increase is determined each year in accordance with the change in the Consumer Price Index (CPI) Toronto Rating using the month of October, with a maximum ceiling of 3%.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 24, 2017

Item 1, CW Report No. 2 – Page 2

Based on the current estimated volume of collection and excluding the impact of any liquidated damages and provisional items, the total estimated value of the first year of the contract is \$8,722,629.90 plus applicable taxes. The actual cost of the contract for the first year and each subsequent year can vary based on actual volume of collection.

The current operating budget for the existing solid waste management contract is approximately \$9.9 million. Based on the estimated cost for the first year of the new contract, there is potential savings of up to \$1 million. Any future increases for unit prices, volume and provisional items will be included in future year budget deliberations.

Communications Plan

Waste Management Section staff members will continue to communicate with residents regarding waste collection services and waste diversion programs. This will be done in collaboration with Corporate Communications using multiple media channels including newspapers, the City website and social media, mobile signs and information in the annual Waste Calendar.

Purpose

The purpose of this report is to advise Council on the results of the RFP16-307 and recommend that RFP16-307 Residential Solid Waste Collection for the City of Vaughan be awarded to Miller Waste Systems Inc.

Background – Analysis and Options

The City of Vaughan is responsible for the provision of waste collection services to all eligible residential properties.

Environmental Services currently provides residential garbage, recycling, organics, leaf and yard waste, bulky item and metal and appliance collection services within the City of Vaughan. These services are currently provided under contract with Miller Waste Systems Inc. The current contract terminates January 1, 2018, and a successor has been chosen through a competitive procurement process.

In support of the SM4RT Living Plan, RFP16-307 requested pricing for provisional items including battery collection. A provisional item for extending collection services to multi-residential condominiums was also included. This was done to determine costs should Council choose to move forward with these items. A staff report providing detail on waste collection services for multi-residential condominium corporations will be presented in 2017.

A Fairness Monitor was engaged to provide independent oversight throughout this procurement process to ensure transparency and fairness in the preparation of the RFP and in the evaluation of the proposals.

As part of their contracted duties, the Fairness Monitor was engaged to identify any issues or concerns in the preparation and execution of the RFP. Their report is provided as Attachment 1. According to his findings, the Fairness Monitor has reported that the RFP process has been conducted in a fair, open and transparent manner consistent with the RFP document.

Procurement Process

Request for Proposal (RFP) 16-307 was released and posted on the City bids and tenders website, Bidding & OPBA on October 5, 2016, with the closing date of November 18, 2016. The RFP package provided details of the contract, including the evaluation criteria used in the assessment of competing proposal bids. Four (4) addenda were issued to answer questions

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 24, 2017

Item 1, CW Report No. 2 – Page 3

received. Nine (9) potential proponents picked up the documents and five (5) proponents submitted bids. Upon review, bids from the following five (5) proposals were declared compliant:

Submissions were received from the following proponents:

1. Canadian Waste Management Inc.
2. GFL Environmental Inc.
3. Halton Recycling Ltd. DBA Emterra Environmental
4. Miller Waste Systems Inc.
5. Progressive Waste Solutions

An Evaluation Committee comprised of staff from Environmental Services, By-Law and Compliance Licensing and Permit Services, Fleet Management Services, and Financial Planning and Development Finance, facilitated by Procurement Services carried out the evaluation process. The City's RFP package provided details of the contract, including the following criteria to be used in the evaluation of competing proposal submissions:

Technical Evaluation Criteria	Weight
Health and Safety	10
Organizational Capability	20
Operational and Technical Capability	35
Service Delivery Approach	30
Quality of Proposal	5
Total Technical Score	100
Financial Evaluation	Weight
Formula: Lowest Proponent's Price / Proponent's Price X 60 = Proponent's Score	60
Total Score = Technical Score + Financial Score	160

The potential proponents that received 70% or better in their Technical Score were then evaluated on their financial submission. Four (4) of the five (5) submissions proceeded to a financial evaluation. The selection process to decide upon a proponent was completed, and based on the evaluation criteria Miller Waste Systems Inc. received the highest score overall. The recommended contractor to carry out the contract is Miller Waste Systems Inc.

Relationship to Term of Council Service Excellence Strategy Map (2015 – 2018)

This award for Residential Solid Waste Collection for the City of Vaughan aligns with the following components of service excellence strategy map:

- Term of Council priorities – Continue to cultivate an environmentally sustainable city

Regional Implications

Through this contract, the City continues to support the York Region's SM4RT Living Plan (Integrated Waste Management Master Plan), which sets regional targets for waste reduction and waste diversion.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 24, 2017

Item 1, CW Report No. 2 – Page 4

Conclusion

The selected proponent Miller Waste Systems Inc. is well qualified to fulfill the requirements of the contract, and therefore, it is recommended that RFP16-307- Residential Solid Waste Collection for the City of Vaughan be awarded to Miller Waste Systems Inc.

Attachments

1. Fairness Monitor Final Report

Report prepared by:

Kate Dykman, Manager, Solid Waste Management, ext. 6309

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)