

## **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%.

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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

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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:

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

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.

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**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.)

**AWARD OF RFP16-307 – RESIDENTIAL SOLID WASTE COLLECTION FOR CITY OF VAUGHAN****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)%;
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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.

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#### **Report prepared by:**

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

Respectfully submitted,

Daniel Kostopoulos  
City Manager

Jennifer Rose  
Director, Environmental Services



December 13, 2016

**Attention:** Asad Chughtai  
Director of Procurement Services  
City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, ON L6A 1T1

**E-mail:** [asad.chughtai@vaughan.ca](mailto:asad.chughtai@vaughan.ca)

**Subject:** **Final Report of the Fairness Monitor for Residential Solid Waste Collection (RFP 16-307)**

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## Introduction

The City of Vaughan ("City") engaged SEG Management Consultants A Division of OPTIMUS | SBR ("SEG") as the Fairness Monitor to provide consulting services and advice related to the Request for Proposals for Residential Solid Waste Collection. The RFP (16-307) was posted on the City's website and issued on October 5, 2016.

## Fairness Services

The Services performed included the following scope of work:

- (a) Monitor the City's conduct of its procurement process in accordance with the relevant procurement policies and processes, from submission of the RFP documentation through to the selection of a preferred vendor(s) to ensure that all bidders are treated consistently and fairly.
- (b) Upon request, provide general fairness advisory services with respect to the City's procurement policies, practices and processes.
- (c) Review procurement documentation and comment on whether, and the extent to which, the process described therein may potentially cause a fairness issue.
- (d) Attend and monitor any information, briefing, or other sessions held with bidders during the procurement process.
- (e) Monitor the City's personnel and external advisors to ensure adherence to the City's conflict of interest and confidentiality policies.
- (f) Observe and monitor the evaluation process.
- (g) Observe and monitor that all communications and responses undertaken during the procurement process are undertaken in accordance the terms outlined in the procurement documentation.
- (h) Monitor and report immediately to City's Director of Procurement Services any known or perceived contraventions by City personnel of the requirements established in the applicable procurement documentation or relevant policies of the City that may negatively impact on the fairness or transparency of the procurement process.

SEG was engaged for the duration of the project, and therefore was able to observe and monitor the entire procurement process (from the preparation of the RFP to the final evaluation and selection of the highest evaluated vendor) to confirm that the principles of fairness (open, fair, consistent and transparent) were maintained throughout.

### **Overview of the Procurement Process**

The RFP (16-307) was released on October 5, 2016. A total of five (5) submissions were received by the closing date of November 18<sup>th</sup>. All were found compliant by Procurement Services and released to the Evaluation Team. Following two days of consensus meetings, four (4) of the five (5) submissions achieved the minimum technical weighted score of 70% and the sealed financial information packages for the four (4) were opened. The four financial submissions were found to be compliant and evaluated according to the formula stated in the RFP. The highest-ranked Proponent was determined and the remaining Proponents ranked according to the overall score achieved by adding their respective technical and financial scores.

### **Fairness Activities**

SEG actively participated in the following key procurement activities as Fairness Monitor:

- a) Reviewed and provided comment on the draft and final RFP and bid documents;
- b) Observed and monitored the process, communications and responses during the bidding period, including attending the Vendor Briefing and review of Q&As before release;
- c) Reviewed briefing materials, evaluation process and criteria, scoring procedures, guidelines, worksheets and selection process, and conducted training for the evaluation team;
- d) Confirmed individual commitments to confidentiality and conflict of interest;
- e) Attended evaluation consensus sessions to establish respondents achieving a minimum technical weighted score of 70%;
- f) Reviewed compliance checklists and observed that the financial information packages remained secure and sealed until completion of the technical evaluation and sign-off by the evaluation team members; and
- g) Reviewed official records of technical and financial evaluations to confirm correct application of criteria weighting and accuracy of final Proponent scores.

## Observations and Findings Against Fairness Principles

Procurement Principle	Measures Taken in this Procurement Initiative
<b>Openness</b>	<ul style="list-style-type: none"> <li>• RFP documents contained no barriers to prospective proponents</li> <li>• Notifications were provided to known potential proponents to ensure they were aware of this opportunity</li> <li>• RFP posted on the City website</li> <li>• Concerns raised by vendors during the Vendor Briefing were given full consideration by the City and where appropriate, subsequently addressed in an Addendum (e.g. treatment of escalation due to inflation)</li> <li>• Response period including Q&amp;As and Addenda allowed sufficient preparation time for proponents</li> </ul>
<b>Fairness</b>	<ul style="list-style-type: none"> <li>• Submission and technical requirements contained no bias to any prospective proponents including incumbent service provider</li> <li>• All proponents were treated equitably with regard to access to information, communication and response to questions</li> <li>• Evaluation criteria and process matched to RFP requirements</li> <li>• Evaluation team efforts were diligent and consistent for all proponents</li> <li>• Consensus evaluation and scoring were based on the written submissions in accordance with the evaluation criteria outlined in the RFP documents.</li> <li>• Fairness Monitor attended all meetings with proponents and the evaluation team consensus sessions</li> </ul>
<b>Consistency</b>	<ul style="list-style-type: none"> <li>• Processes stated in RFP documents were followed throughout</li> <li>• Evaluators were trained on the process, the criteria and their responsibilities</li> <li>• Similar information in proposals was scored in a similar manner</li> <li>• Proposals were scored consistently against pre-determined criteria and the evaluation teams reached a consensus score through vigorous group discussion for each criterion and for each submission</li> </ul>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>• Evaluation criteria and process were documented clearly in the RFP</li> <li>• Draft Services Agreement was included in the RFP</li> <li>• Proponents had direct access to submit questions related to the RFP – both administrative and technical</li> <li>• Each evaluator involved in the evaluation process attended an orientation session and signed an agreement to preserve confidentiality and to identify any actual or potential conflict of interest</li> <li>• Consensus evaluations and scoring were documented in official records and signed-off by all evaluators</li> <li>• Fairness Monitor attended all briefings and evaluation sessions to observe the procurement process, facilitate robust discussion and verify results</li> </ul>

### Fairness Attestation

As the Fairness Monitor for the Request for Proposals for the Residential Solid Waste Collection RFP issued by the City of Vaughan on its website on October 5, 2016, SEG Management Consultants A Division of OPTIMUS |

SBR confirm that from our review of the procurement documents and observance of the procurement activities, this procurement process was conducted in accordance with the relevant procurement policies and processes and the principles of openness, fairness, consistency and transparency. We are not aware of any procurement issues that emerged during the process that would impair the fairness of this initiative.

SEG Management Consultants A Division of OPTIMUS | SBR appreciates this opportunity to contribute to the work of the City of Vaughan. We particularly appreciate the cooperation, diligence and professionalism of all the City staff involved in this procurement during the entire course of our engagement.

SEG Management Consultants A Division of OPTIMUS | SBR



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Lead Fairness Monitor  
Greg Dadd  
VP, Procurement and Fairness Advisory Services  
SEG Management Consultants A Division of OPTIMUS | SBR

Cc: Jennifer Rose, Director, Environmental Services  
Kate Dykman, Manager, Solid Waste Management  
Bobby Mahal, Buyer, Procurement Services