



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** January 5, 2021
From: Jatinder Johal **File:** 10-6405-12-01/2020-
Acting Director, Public Works Operations Vol 01
Re: Award of Contract 6577P – On Call Collection of Hazardous Materials

Staff Recommendation

1. That Contract 6577P – On Call Collection of Hazardous Materials be awarded at the unit rates quoted for a three-year term, commencing February 1, 2021 as follows:
 - a) GFL Environmental Inc. at an estimated total contract value of \$450,000; and
 - b) Tervita Corporation at an estimated total contract value of \$200,000; and
2. That staff report to Council for extensions beyond the initial three-year term, up to the maximum identified eight-year term under the provisions of Contract 6577P – On Call Collection of Hazardous Materials.

Jatinder Johal
Acting Director, Public Works Operations
(604-233-3301)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Purchasing	<input checked="" type="checkbox"/>	
Finance Department	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS:	APPROVED BY CAO
	MJ	

Staff Report

Origin

To ensure the safe disposal and recycling of hazardous waste materials generated from various public works related operational activities, the City retains the services of a contractor that specializes in the collection, transportation and disposal of hazardous waste materials.

The general scope of this contract requires a contractor to provide a range of collection and disposal services depending on the nature of the hazardous material to be collected and where response time can be critical. The City's contractor is required to respond to:

- Illegal dumps of asbestos-containing drywall or other hazardous wastes.
- Abandoned materials, including unknown substances.
- Hazardous waste materials accumulated at the Richmond Recycling Depot or City's Operations Yard.
- Road spills from vehicle accidents/incidents.
- Clean-up of spills of potentially unknown substances from City watercourses or ditches.

To engage a qualified service provider, a procurement process was undertaken via request for proposals 6577P – On Call Collection of Hazardous Materials.

This report presents the results of this request for proposals and recommends a split award to GFL Environmental Inc. and Tervita Corporation.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.3 Decision-making focuses on sustainability and considers circular economic principles.

Analysis

Request for Proposals 6577P – On Call Collection of Hazardous Materials

The above referenced request for proposals was posted to BC Bid on April 16, 2020 and closed on May 27, 2020.

The RFP required proponents to provide fixed costs for specific base services, anticipated disposal costs and other fees they expected to incur. Base services include an annual estimated number of hours for staff, vehicle costs, documentation and reporting. Disposal costs are based on estimated volumes for both asbestos-containing drywall and other hazardous waste materials. Additional fees include other recovery fees, energy and insurance surcharges or annual member fees to receive discounts rates.

Seven proposals were received by the closing date from the following proponents:

- GFL Environmental Inc.
- Nucor Environmental Solutions Ltd.
- Tervita Corporation
- QM Environmental
- Sumas Environmental Services
- Clean Harbours Canada Inc.
- Enviro-Vac

Review Process

Staff undertook independent reviews of the proposal responses. Proposals were scored and evaluated against pre-determined criteria that included:

- Corporate profile and capacity
- Approach and methodology
- Demonstrated experience and references
- Financial proposal
- Corporate sustainability practices

Table 1 provides a summary of the financial proposals received in response to the RFP. Staff note that due to the variable and specialty nature of the work involved, not all vendors could quote on the full suite of services required. This resulted in significantly varying pricing models for the work. The review of the financial proposals received was based on a like-for-like comparison of estimated quantities.

Table 1- Summary of Financial Proposals Received

Bidder	Base Services	Estimated Supplies/ Consumables	Estimated Disposal	Estimated Additional Fees	Estimated Annual Total	Ranking (after evaluation)
Complete Responses to All Contract Items						
GFL Environmental Inc.	\$91,500.00	\$10,175.00	\$46,285.00	n/a	\$147,960.00	1
Tervita Corporation	\$80,000.00	\$9,080.00	\$62,761.00	\$13,513.85	\$165,354.85	3
QM Environmental	\$98,300.00	\$13,575.00	\$60,664.07	\$13,803.13	\$186,342.20	4
Partial Responses to Select Contract Items Only						
Nucor Environmental Solutions Ltd.	\$98,875.00	Not incl.	\$3,850.00	Unidentified Member fee	\$102,725.00	2
Sumas Environmental Services	\$71,250.00	\$7,375.00	\$42,310.00	n/a	\$120,935.00	5
Clean Harbours Canada Inc.	\$86,100.00	\$8,935.00	\$18,917.50	\$5,697.63	\$119,650.13	6
Enviro-Vac	\$100,075.00	\$247.50	\$119,331.50	n/a	\$219,654.00	7

Interviews were held with representatives of the three highest scoring proponents to confirm their ability to meet the City's service and operational requirements. To further validate submissions, staff inspected GFL Environmental, Nucor and Tervita's facilities to confirm appropriate handling practices, each vendor's capacity to provide the full suite of services described in the request for proposal and their compliance with all legislative requirements.

Based on staff's evaluation of the proposals received, interviews and site visits, GFL Environmental Inc. and Tervita Corporation were determined to have the greatest ability to meet the scope and variable nature of the work, including emergency response capability. To provide best value while ensuring the most robust capability and capacity to address the City's needs, staff recommend splitting the award. Due to the more favourable pricing provided by GFL Environmental Inc. in relation to material disposal, it is recommended to award on the basis of two-thirds of the work being allocated to GFL, with the balance to Tervita Corporation.

Contract Terms

The key terms of the service contract will include:

1. *Services:* Collection, transportation and disposal services on an "as, if and when needed" basis for response to illegal dumps of asbestos-containing drywall or other hazardous wastes, abandoned materials (including unknown substances), collection of hazardous waste materials accumulated at the Richmond Recycling Depot or City Operations Yard, emergency response for road spills from vehicle accidents/incidents and clean-up of spills of potentially unknown substances from City watercourses, ditches or sloughs.
2. *Term:* The term of the contract is three years, renewable for a further three-year term and then a final two-year term, for a total recommended term of eight years. The initial term is recommended for three years. Should it be considered best value to extend the contract beyond the initial term, staff will report to Council for extension approvals.
3. *Unit price contract:* Costs are based on a per unit amount as tendered for collection, transportation and disposal services of hazardous waste materials. Total value will vary based on the total number of responses required as well as the type and quantity of hazardous waste materials to be covered under this contract.
4. *Escalation:* Firm for the first three years, with escalation factors in subsequent years.
5. *Reporting:* Contractor to provide waste tracking reports at regular intervals as determined by the City.

Financial Impact

The total value of this contract over the recommended three-year term is estimated at \$650,000, inclusive of \$450,000 estimated for services to be provided by GFL Environmental Inc. and \$200,000 for Tervita Corporation. This is a unit price contract that is dependent on the total number of incidents requiring response in addition to the varying types and quantities of hazardous materials collected and disposed, and therefore amounts will vary.

January 5, 2021

- 5 -

Required funding amounts for the services under this contract are included in the annual Sanitation and Recycling Utility and other Public Works Operations budgets.

Conclusion

This report presents the results of a competitive procurement under 6577P – On Call Collection of Hazardous Materials. It is recommended that the contract be awarded to GFL Environmental Inc. and Tervita Corporation at the unit rates quoted for an initial three-year term, with extension options up to a maximum eight-year term commencing, February 1, 2021 based on the key terms as outlined.



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