

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 7
OF THE REGIONAL
COMMISSIONER OF TRANSPORTATION AND WORKS**

**For Consideration by
The Council of The Regional Municipality of York
on November 8, 2001**

1**REVISED REQUEST FOR PROPOSALS NO. P-01-66
HAULING AND DISPOSAL OF SOLID WASTE
(CLARIFICATION REPORT:
CLAUSE NO. 1, REPORT NO. 2,
SOLID WASTE MANAGEMENT COMMITTEE)****1. RECOMMENDATION**

It is recommended that:

1. Regional Council approve the issuance of a Request for Proposals for the Hauling and Disposal of Solid Waste as outlined in this report.

2. PURPOSE

This report provides a proposed process and evaluation criteria for the selection of additional contractors for the hauling and disposal of solid waste under Request for Proposals No. P-01-66. It also responds to a request by Committee to modify the process that was proposed by staff previously.

3. BACKGROUND

In June 2001, Regional Council approved a contract with Republic Services of Canada and Wilson Logistics for the hauling and disposal of a minimum of 50,000 tonnes of waste per year and authorized the issuance of a Request for Proposal (RFP) for some or all of the remaining 140,000 tonnes per year. On September 12, 2001, the Solid Waste Management Committee considered a report from the Commissioner of Transportation and Works which presented a process and evaluation criteria that could be used to select one preferred service

provider from the second RFP process. The Committee recommended that the report be referred back to staff for modifications to the process that would allow for multiple service providers and an extension to the timeframe for the issuance and closure of the RFP. Regional Council supported the Committee's recommendation through the adoption of Clause 2 of Report No. 1 of the Solid Waste Management Committee on September 20, 2001.

The residents of the Region currently generate approximately 190,000 tonnes of waste each year that cannot be processed in the blue box and yard waste programs. To date, a minimum of 50,000 tonnes per year of waste hauling and disposal has been contracted to Republic Services and Wilson Logistics for disposal at the Carleton Farms Landfill Site in Michigan, commencing on closure of the Keele Valley Landfill Site. This represents approximately 26% of the Region's current waste disposal stream. The Region must contract for the haulage and disposal of the remaining waste (140,000 tonnes or 74%) once the Keele Valley Landfill Site closes at the end of 2002. It should be noted that the Republic / Wilson contract permits the Region to dispose of all of its waste at the Carleton Farms Site if the Region so chooses.

The Region undertook a two-stage RFP process in 1999 and 2000 to select Republic Services and Wilson Logistics. The two stages consisted of an initial proposal call to determine a short list of qualified contractors, and then a call for each qualified contractor to submit a final price. This process was rigorous and thorough, and provides an excellent foundation for the new RFP.

As with the previous process, it is proposed that vendors will be permitted to submit proposals that include final disposal in a landfill, energy from waste plants, other diversion or recycling plants (provided they represent a true "disposal" option for the Region), or a combination of any of these facilities. Whichever system is proposed by a vendor must be proven technology, operational, and able to handle the necessary quantity of waste when the Keele Valley Landfill Site closes. Vendors that cannot provide a minimum of 25,000 tonnes per year capacity for five years will not be considered.

4. ANALYSIS AND OPTIONS

The timeline for completion of RFP No. P-01-66 is very short. The successful contractor(s) will need sufficient lead-time, before the planned closure of the Keele Valley Landfill Site, to order and receive the required hauling (or other) equipment.

It is, therefore, recommended that a single RFP submission be received from each vendor that will document its proposal and include a firm price. The information required from each vendor will still be as rigorous as was required under the previous two-stage RFP process.

4.1 RFP Schedule

It is proposed that the following schedule be followed:

- Issue RFP documents December 10, 2001
- Submission date of proposals January 15, 2002
- Contract Award by Council February, 2002

4.2 RFP Evaluation Criteria

Given the timing, staff require a structured criteria and weighting formulation be approved by Regional Council for the evaluation and selection of a preferred vendor(s). It is proposed that the comparative evaluation criteria listed in Table 1 be used. This list of criteria and weighting is identical to that used in the previous RFP process No. P-99-51 which was used to select Republic / Wilson.

Table 1
Comparative Evaluation Criteria (Waste Disposal and Haulage)

Criteria	Measure	Weighting
1. Human Health and Safety and Natural Environment		25
1.1 Macro-Environmental	<ul style="list-style-type: none"> • Quantity of greenhouse gasses released, expressed as the quantity emitted per tonne of waste managed (transported and disposed): Greehouse gases (CO₂, CH₄) expressed as global warming potential CO₂ equivalents. 	20
1.2 Traffic Safety	<ul style="list-style-type: none"> • Accident rates per mode of haulage and distance travelled. 	5
2. York Region and Ontario Social Benefits		10
2.1 Direct Jobs	<ul style="list-style-type: none"> • Net number of jobs created/allocated to the contract. Preference is given to jobs in York Region and Ontario outside York Region respectively. 	3 ¹ / ₃ (2 to York 1 ¹ / ₃ to Ontario)
2.2 Value of the Jobs	<ul style="list-style-type: none"> • \$ value of wages and benefits. Preference is given to jobs' value in York Region and Ontario outside York Region respectively. 	3 ¹ / ₃ (2 to York 1 ¹ / ₃ to Ontario)

2.3 Investment in Goods and Services	<ul style="list-style-type: none"> • \$ value of goods and services purchased from York Region and Ontario outside York Region respectively. Preference is given to investment in York Region and Ontario outside York Region respectively. 	3 ¹ / ₃ (2 to York 1 ¹ / ₃ to Ontario)
3. Financial		65
3.1 System Costs to York - All-in hauling and disposal price charged to the Region.	<ul style="list-style-type: none"> • Dollars per tonne (expressed in 2001 Cdn dollars) 	65
Total		100

Once all proposals are evaluated using these criteria, the highest scoring vendor and any other vendor if within a 10% score range of the highest, will be selected for further review. An environmental and legal due diligence review of the selected vendors will be completed.

It is proposed that a minimum of one vendor, the highest scoring vendor passing environmental and legal due diligence review be selected under this RFP for an award of a minimum of 25,000 tonnes per year for five years, with quantities and the term of the contract extendible at the Region's option. If one or more other vendors are within a 10% score range of the highest scoring vendor, one or more of these vendors may also be recommended for awards of up to 25,000 tonnes each for five years, to be determined by Regional Council in its sole discretion, taking in to account the risk distribution purposes of this RFP, provided that the environmental and legal due diligence review is satisfactory.

4.3 Allocation of Waste Quantities

Regional Council has decided to allocate waste disposal to more than one contractor to limit risk. The current contract with Republic Services and Wilson Logistics allows for the quantity of waste to be increased above 50,000 tonnes per year at the current price. Therefore, an allocation of waste between our current contractors and the selected vendor(s) in RFP No. P-01-66 must be made to ensure the best overall solution for the Region.

If two vendors are selected through RFP P-01-66 there is an additional quantity of up to 90,000 tonnes of waste that must be allocated. It must be noted though that this additional tonnage requiring final disposal will decrease to approximately 25,000 tonnes once the three stream waste collection system is fully implemented. This quantity will then increase over time as the Region continues to grow.

The Region must also ensure that it has the contractual ability under this RFP to divert waste away from vendors who are providing landfill solutions to new and emerging waste management technologies to minimize the use of landfills. Companies, such as Royal

Ecoproducts, are developing large scale solutions that may provide better environmental solutions at a lower cost and the Region must have the ability to evaluate and consider such new technologies as they develop in the future.

It is proposed that a decision on how Regional Council wishes to allocate this additional tonnage be reserved for Regional Council's sole discretion outside the new RFP process, based on such considerations as Regional Council deems appropriate.

5. FINANCIAL IMPLICATIONS

Staff will need to undertake legal and environmental due diligence of the selected vendors. There are sufficient funds in the approved 2001 operating program. These reviews are not anticipated to exceed \$20,000 per vendor.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

The Region has chosen to issue a second RFP to identify more than one waste disposal service provider once the Keele Valley Landfill Site closes at the end of 2002. Firms submitting proposals must be aware of the criteria that staff will use to evaluate the proposals. The criteria proposed herein have been used previously and should allow the evaluation process to proceed expeditiously.

Respectfully submitted,

**Newmarket, Ontario
November 1, 2001**

**K. Schipper
Commissioner of
Transportation and Works**

(Report No. 7 of the Commissioner of Transportation and Works, was adopted, without amendment, by Regional Council at its meeting on November 8, 2001.)