

REGION OF OTTAWA CARLETON  
 RÉGION D'OTTAWA CARLETON

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REPORT  
 RAPPORT

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Our File/N/Réf.           **50 06-98-0168-H**  
 Your File/V/Réf.

DATE                        04 September 1998

TO/DEST.                 Co-ordinators  
                               Planning & Environment and Corporate Services And Economic  
                               Development Committees

FROM/EXP.                Environment and Transportation Commissioner

SUBJECT/OBJET           **AWARD OF CONTRACT CE-8013 - SOLID WASTE  
 APARTMENT COLLECTION TENDER CONTRACT**

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### **DEPARTMENTAL RECOMMENDATIONS**

**That Planning and Environment Committee and Corporate Services and Economic Development Committee recommend and Council approve the following:**

- 1. That Zone AG1 (as per Annex C) for the collection of apartment waste, Contract CE-8013 (AG1) be awarded to 943162 Ontario Inc. (operating as Huneault Waste Management, Navan, Ontario for a total five year cost of \$2,309,459 (GST not included) based on estimated quantities;**
- 2. That Zone AG2 (as per Annex C) for the collection of apartment waste, Contract CE-8013 (AG2) be awarded to Malex Waste Systems Inc., Aylmer, Québec, for a total five year cost of \$1,868,612 (GST not included) based on estimated quantities;**
- 3. That Zones AR12 (as per Annex C) for the collection of apartment recycling Contract CE-8013 (AR12) be awarded to Canadian Waste Services Inc., Nepean, Ontario for a total five year cost of \$3,646,204 (GST not included) based on estimated quantities.**

### **INTRODUCTION**

The current Solid Waste Apartment Collection contract will expire on 31 May 1999. At the 27 May 1998 Council Meeting, the Solid Waste Collection Contract Development - *Competitive Elements* report was approved. With respect to the collection of waste and recycling from apartments, the report recommended the following:

- firms be pre-qualified prior to bidding on the contract(s)
- the collection of apartments be bid separately from curbside
- the apartment collection zones be increased from one to four (2 zones for garbage collection and 2 zones for recyclables collection)

## DISCUSSION

Request for Qualifications for Contract CE-8013 closed on 24 June 1998. Five firms submitted documentation and were pre-qualified. The Solid Waste Collection Tender closed on 04 August 1998 and the Region of Ottawa-Carleton (ROC) received bids from all five firms. The firms submitting tenders included:

- BFI Waste Systems, Carp, Ontario (BFI) - qualified for four zones
- Canadian Waste Services Inc., Nepean, Ontario (CWS) - qualified for four zones
- Capital Environmental Resource Inc., Burlington, Ontario (CAP) - qualified for four zones
- Huneault Waste Management, Navan, Ontario (HWM) - qualified for four zones
- Malex Waste Systems Inc., Aylmer, Quebec (MWS) - qualified for one zone

### 1. Overall Results

The bids were evaluated based upon the lowest combination of zone prices. Table 1 below summarizes the four lowest cost combinations.

Table 1  
Solid Waste Collection Contract  
Apartment Waste and Recycling Collection

Bid	Zone Configuration	Five Year Cost
#1	AG1=HWM, AG2=MWS, AR12=CWS	\$7,824,275
#2	AG1=CWS, AG2=MWS, AR12=CWS	\$7,853,395
#3	AG1=MWS, AG2=HWM, AR12=CWS	\$7,917,976
#4	AG1=MWS, AG2=CWS, AR12=CWS	\$8,255,363

Note: CWS=Canadian Waste Services, HWM=Huneault Waste Management Inc, MWS=Malex Waste Systems

As shown in Table 1, the bidding was quite comparable between the lowest three zone combinations. In bid combination #1, waste collection is split between Huneault Waste Management (west) and Malex Waste Systems (east), with Canadian Waste Services collecting the recycling. In bid combination #2, waste collection splits between Canadian Waste Systems (west) and Malex Waste Management (east). In bid combination #3, Malex (west) and Huneault (east) reverse the waste zones and Canadian Waste Systems again provides recycling collection.

Annex A summarizes the costs of all bids received.

## 2. Cost to Apartment Building Owners

The Region of Ottawa-Carleton provides a “basic service” to apartment buildings receiving front end waste collection service. The basic service provides for once per week collection of waste where the containers are located within 10 metres of the collection point. Basic service is designed to meet a building’s waste requirements based upon a reasonable waste generation rate and size of building. In some cases, including higher than normal waste generation, convenience or inadequate storage facilities, building owners require “extra service”, which is paid directly by the owner to the contractor. Extra service includes additional collections, roll-out and winching of containers. Approximately 330 of the roughly 830 apartment buildings in the region receive some form of “extra services”.

The bids for extra services in this contract will dramatically lower the direct cost to these building owners. Annex B includes an overview and example of cost savings building owners.

## CONSULTATION

No specific public consultation was conducted at this time. For apartment residents, the collection system will change from the current four sort depot (fibres, containers, clear glass and coloured glass) to a two sort depot (fibre and containers). This will result in less effort and confusion amongst residents. For apartment building owners requiring extra services, all costs will be reduced depending on the level of extra services received. The Solid Waste Division be notifying all building owners of the new contract details after the award of contract.

During the preparation of the collection tender, the Solid Waste Division consulted with individual private firms including waste haulers, material recycling processors and organic processors. Generally, the private firms were very supportive of the changes made to the collection tender.

## FINANCIAL STATEMENT

Funding for this contract will come from the 1999 and subsequent operating budgets.

CONCLUSION

The lowest bid combination involves three separate private firms. Huneault Waste Management providing waste collection service for zone AG1, Malex Waste System Inc. providing waste collection service for zone AG2 and Canadian Waste Services Inc. providing recycling collection for zones AR12.

*Approved by  
M.J.E. Sheflin, P.Eng.*

FINANCE DEPARTMENT COMMENT

Approval of this contract represents a pre-commitment against the 1999-2004 Operating Budgets.

*Approved by T. Fedec  
on behalf of the Finance Commissioner*

KHW/cp

## Bid Summary

Combination	Service*	Malex	Huneault	Canadian Waste	Capital	BFI
<b>ZONE AG1</b>	G	2,255,729.76	2,309,459.16	2,470,332.00	2,866,791.00	2,855,944.80
<b>ZONE AG2</b>	G	1,868,612.23	2,016,043.01	2,487,838.10	2,523,077.00	2,837,082.18
<b>ZONE AR1</b>	R			2,384,284.80	3,450,140.00	4,449,535.20
	F			722,584.80	1,768,569.00	2,696,756.64
	C			1,760,514.00	1,826,796.00	1,752,798.60
<b>ZONE AR2</b>	R			1,949,719.36	2,565,248.00	4,270,876.16
	F			646,380.00	1,109,420.00	2,583,724.50
	C			1,379,059.00	1,563,784.00	1,687,183.74
<b>ZONE AG12</b>	G		4,325,497.17	4,886,361.70	5,389,668.00	5,693,181.60
<b>ZONE AG1AR1</b>	GR			4,764,892.80	6,316,931.00	7,305,480.00
	GFC			4,893,603.30	6,462,156.00	7,305,500.04
<b>ZONE AG1AR2</b>	GR			4,352,736.56	5,432,039.00	7,126,820.96
	GFC			4,438,431.20	5,539,995.00	7,126,853.04
<b>ZONE AG2AR1</b>	GR			4,774,274.80	5,973,217.00	7,286,617.38
	GFC			4,899,055.15	6,118,442.00	7,286,637.42
<b>ZONE AG2AR2</b>	GR			4,360,301.12	5,088,325.00	7,107,958.34
	GFC			4,444,998.25	5,196,281.00	7,107,990.42
<b>ZONE AR12</b>	R			3,646,204.15	3,699,903.00	8,720,562.89
	F			1,189,432.20	2,878,173.00	5,280,358.10
	C			2,609,462.00	3,392,168.00	3,439,986.20
<b>ZONE AG12AR1</b>	GR			7,162,180.20	8,839,808.00	10,142,767.25
	GFC			7,286,960.55	8,985,033.00	10,142,787.29
<b>ZONE AG12AR2</b>	GR			6,738,356.31	7,954,916.00	9,964,108.21
	GFC			6,823,053.45	8,062,872.00	9,964,140.29
<b>ZONE AG1AR12</b>	GR			5,985,283.60	6,566,694.00	11,576,507.69
	GFC			6,140,305.80	9,137,132.00	11,576,289.10
<b>ZONE AG2AR12</b>	GR			5,999,634.10	6,222,980.00	11,557,645.07
	GFC			6,155,046.30	8,793,418.00	11,557,426.48
<b>ZONE AG12AR12</b>	GR			8,345,363.10	9,089,571.00	14,413,794.94
	GFC			8,500,775.10	11,660,009.00	14,413,576.35

\* G = Garbage, R = All recycling, C = Container stream, F = Fibre Stream

## **EXTRA SERVICES OVERVIEW AND COST SAVINGS APARTMENT WASTE COLLECTION CONTRACT**

### **1. Basic Service**

The ROC provides a “basic service” to apartment buildings receiving front end waste collection service. The basic service provides for once per week collection of waste where the containers are located within 10 metres of the collection point.

### **2. Extra Services**

“Extra services” are provided in arrangement with and paid for directly by the apartment building owner. Approximately 40% of the about 830 apartment buildings in the region receive some form of “extra services”. Extra services include:

- additional collection beyond once-per-week
- roll out of containers by the contractor beyond the 10 meter allowable
- winching of containers by the contractor

The terms and conditions of the current contract required the contractor to bid on the costs for extra services. The primary evaluation of the bid focused on the per tonne cost to collect basic service waste and the secondary evaluation focused on extra service costs. Please note extra service costs are not applicable to the collection of recyclable material.

### **3. New Contract**

The new contract was re-structured with respect to extra services as follows:

- additional collections are fixed at the per tonne rate bid in the contract
- container rentals are set at a monthly rate fixed by the ROC
- roll out and winching of containers was still bid on by the contractor of recycling.

Further, the contractor is required to replace all waste containers for this contract and the containers will revert to ROC ownership and the end of the five year contract. The containers have a ten to fifteen year lifespan. The cost to apartment building owners to rent containers in subsequent contracts is expected to be lowered significantly.

Table 1 below gives an example of savings through this contract at an average apartment building receiving extra services.

*Example: building has 2 three yard compacted bins which are rented and receives twice per week collection where the contractor is required to roll the bins out a distance of 20 metres.*

**Table 2**  
**Example of Monthly Extra Service Costs**

<b>Existing</b>	<b>New Bids</b>			
<b>Cost</b>	<b>MWS</b>	<b>Savings</b>	<b>HWM</b>	<b>Savings</b>
\$593.86	\$268.15	\$325.71	\$356.46	\$237.40

As shown in Table 2, this was achieved for buildings receiving extra services. In the example, costs for extra service will decrease by 54% in zone AR2 and by 40% in zone AR1.

