

Region of Waterloo

Corporate Services

Treasury Services (Procurement)

To: Regional Council

Meeting Date: March 22, 2023

Report Title: T2022-198 Transportation and Processing of Municipal Hazardous or Special Waste (MHSW)

1. Recommendation:

That the Regional Municipality of Waterloo accept the tender of GFL Environmental Services Inc. for T2022-198 Transportation and Processing of Municipal Hazardous or Special Waste (MHSW) for a five (5) year term effective April 1, 2023 with the option to renew for two (2) additional one (1) year periods in the estimated amount of \$2,456,918.80 (estimated annual cost of \$491,383.76) plus all applicable taxes as set out in report COR-TRY-23-008 dated March 22, 2023.

2. Purpose / Issue:

Purchasing by-law 22-034 Section 9 item 3 requires Council approval for tenders in excess of \$150,000 but less than \$10,000,000 if the tender with the best overall cost that is compliant exceeds the budget for the acquisition of the goods and services and approval from Council to increase the budget is desired.

3. Strategic Plan:

Award of this contract meets the 2019-2023 Corporate Strategic Plan objective to direct more waste away from the landfill, improve recycling and better manage organic waste and protect our water resources (drinking water and wastewater treatment) under Strategic Focus Area 3 Environment and Climate Action.

4. Report Highlights:

- The following tenders were received:

| | | |
|--|--------------|----------------|
| GFL Environmental Services Inc. | Hamilton, ON | \$2,456,918.80 |
| Clean Harbors Energy and Industrial Services Corp. | Sarnia, ON | \$6,815,007.75 |

*One (1) bid was disqualified

- Six (6) vendors downloaded the bid document. Staff contacted bidders that did not submit a bid and the reason provided for not submitting was licensing restrictions.
- The work under this contract is highly specialized and therefore limits the amount of contractors that can bid.
- The final date of acceptance for this tender is April 6, 2023.

5. Background:

The Region entered into a competitive bid process for the services necessary to transport and process Hazardous Special Products (HSP), such as bulk oil and fertilizers; currently not covered by the Hazardous Special Products Regulation. The Region is responsible for covering the full cost of transport and processing of those items.

The work under this contract is for the transportation and processing of municipal hazardous or special waste (MHSW). The MHSW Program is operated at the permanent drop off facility at the Waterloo and Cambridge Waste Management Site and offers residents a full service program with all eligible MHSW materials accepted.

The bid price was based on the 2022 estimated tonnage, and the 2023 actual costs will be based on the actual 2023 volume received. Due to market conditions and global economic factors, the amount of funds required for the services exceeded the amount budgeted.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Nil

7. Financial Implications:

| | Total Contract | Yearly |
|-----------------------------------|--------------------|------------------|
| T2022-198 | \$2,456,900 | |
| Plus: Applicable Net HST of 1.76% | <u>43,200</u> | |
| Total | <u>\$2,500,100</u> | <u>\$500,000</u> |

Note: All figures are rounded to the nearest \$100.

The estimated costs for collection, transportation and processing of MHSW materials in 2023 is \$439,000 which includes 3 months under the current contract (\$64,000) and 9 months under the new contract (\$375,000). The 2023 Waste Management Operating budget includes \$267,000 for the collection, processing and transportation of MHSW materials currently received. Staff will monitor the actual costs and will report on any budget variance as required. The 2024 operating budget will be drafted to include the cost of this tender.

8. Conclusion / Next Steps:

Subject to Council approval, the work of this contract will begin April 1, 2023 for a five (5) year term with the option to renew for two (2) additional one (1) year periods.

9. Attachments:

Nil

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Approved By: Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer