



Report to Council

Department: Office of the CAO
Division: Legal and Legislative Services
Date: May 2, 2022
Prepared by: Robert W Auger, Town Solicitor
Report Number: Legal and Legislative Services-2022-17
Subject: Results of Request for Proposal -Municipal Waste Collection Services
Number of Pages: 5

Recommendation(s)

That Legal and Legislative Services-2022-17 entitled Results of Request for Proposal - Municipal Waste Collection Services be received;

That Council award the Request for Proposal for Municipal Waste Collection Services to GFL Environmental Inc. ("GFL") for a two year period commencing May 2, 2022 and ending on May 1, 2024 and direct Administration to return with the appropriate by-law for Council's consideration approving the entering into of an agreement for the provision of Municipal Waste Collection Services; and

That the actual overage for the period of 7 months (May 1 to December 31, 2022) will be funded from the Garbage Levy Reserve and that the Garbage Levy be adjusted in the next fiscal budget to fund any deficit and subsequent rate increases.

Purpose

In accordance with the Town Procurement By-Law Number 2129, Council approval is required for purchases in excess of \$120,000. This report is to seek Council's approval to appoint a qualified contractor to provide the Town with Waste Collection Services for a two (2) year period ending May 1, 2024.

Background and Discussion

The Town of Essex currently provides Waste Collection Services consisting of Refuse (landfilled) Collection and Organics Collection.

In 2015 the contract to provide these services was awarded to Windsor Disposal Services Ltd. (now owned by GFL Environmental Inc. ("GFL") as of September 2019) and By-law 1403 was passed accordingly by Council on August 10, 2015. The initial term of the contract (2015-2018) was then extended as an option under the contract for an additional two years (to March 31, 2020). In 2020 Council further agreed to extend the existing Contract with GFL to December 31, 2021 (upon the same terms and conditions). Since January 1, 2022 the existing contract has continued on a month to month basis subject to the Town's initiation and completion of the Request for Proposal ("RFP") process for these services.

A Request for Proposal, following the guidelines as set out in the Town's Procurement By-Law was posted with an initial closing date of January 19, 2022 that was extended to February 2, 2022. The only request for proposal received was from the proponent/existing supplier and said proposal was evaluated using a scorecard approach, taking into consideration the fee proposal, Municipal waste collection experience, understanding of the proposal scope, quality of the proposal, vehicles and equipment, value added and innovative concepts.

The proposal review process included a team made up of:

- Doug Sweet, Chief Administrative Officer
- Kate Giurissevich, Director, Corporate Services/Treasurer
- Jackson Tang, Assistant Manager, Business Services
- Robert Auger, Town Solicitor/Clerk

After reviewing the proposal GFL- our existing supplier was satisfactory scored and said proposal addressed all areas of the scope as identified in the request for proposal.

Financial Impact

The estimated yearly cost of the contract is \$945,146 (inclusive of non-refundable H.S.T.) and subject to an annual price adjustment clause based on the year over year change in the Total Consumer Price Index as published by the Bank of Canada. Attached hereto is the Pricing Summary Sheet for the proposed Contract. This estimated yearly cost of the contract represents a significant increase as the 2022 budgeted annual cost of the contract for the services provided by GFL is approximately \$880,000. This would mean an estimated budget overage for the period of 8 months (May 1-December 31) of \$44,000. This would be funded from the Garbage Levy Reserve and the rate would be adjusted in the next fiscal budget to account for the deficit.

The Proponent has cited significant increases in their operating costs specifically fuel costs as the basis for the substantial increase in the value of the contract. In approaching this latest contract Town administration preferred a shorter term or length of contract so as to remain flexible to facilitate a possible review as to the delivery of these services on a shared basis with other local municipalities. However Town administration conducted market research to determine any potential cost savings associated with a longer term contract and given the volatility of the commodity market and its impacts on suppliers, it would may not result in any material savings in the annual cost of the contract, and could in fact result in a higher bid submission.

Consultations

- Doug Sweet, Chief Administrative Officer
- Kate Giurissevich, Director, Corporate Services/Treasurer
- Jackson Tang, Assistant Manager, Business Services

Link to Strategic Priorities

- ☐ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- ☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- ☐ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- ☐ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- ☒ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.
- ☒ Improve the Town's capacity to meet the ongoing and future service needs of its citizens while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

Report Approval Details

Document Title:	Results of Request for Proposal -Municipal Waste Collection Services - Legal and Legislative Services-2022-17.docx
Attachments:	
Final Approval Date:	Apr 28, 2022

This report and all of its attachments were approved and signed as outlined below:

A handwritten signature in black ink, appearing to read "Doug Sweet", with a stylized flourish extending from the end.

Doug Sweet, Chief Administrative Officer - Apr 28, 2022 - 1:36 PM