Municipal Hall
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Esquimalt, B.C. V9A 3P1

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Legislation Details (With Text)

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Attachments:	1. Attachment 1: Usage of Transfer Station from 2011 to 2018				

Date	Ver.	Action By	Action	Result
8/19/2019	1	Council	approved	Pass

REQUEST FOR DECISION

DATE: August 06, 2019 Report No. EPW-19-017

TO: Laurie Hurst, Chief Administrative Officer

FROM: Jeff Miller, Director of Engineering and Public Works

SUBJECT:

Yard and Garden Waste Contract Award

RECOMMENDATION:

That Council direct staff to enter into a contract with Ellice Recycling for the operation of the transfer station and processing of the yard and garden waste stream for a three year period at total contract cost of $468,966.88 over the term of the contract as outlined in Staff Report EPW-19-017.

RELEVANT POLICY:

Not applicable.

STRATEGIC RELEVANCE:

Well Maintained and Well Managed Infrastructure

BACKGROUND:

In 2006, the CRD imposed a ban on the depositing of yard and garden waste to the Hartland Landfill. In response to this action, the Township of Esquimalt and the Town of View Royal entered into a partnership for the operation of a transfer station and the processing of the yard and garden waste stream. In this partnership, the Township administers the contract with the Town of View Royal paying

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for their portion of the cost of the contract. The current contract ends on December 31, 2019.

Usage of the site has been fairly constant over the life of the contract. See Attachment 1 for details of municipality usage and tonnage removed from the site. The transfer station has been located at 605 Canteen Road for the majority of the contract. There was a brief time of several years when it was located at the Admirals Road site.

Based on discussions with the current service provider, the decision was made to seek a new provider prior to the end of the contract. On April 24, 2019, a request for proposals was released with a closing date of May 9, 2019. The evaluation criterion for the proposal call was:

- Cost of three year contract - 40 points
- Location of the transfer station - 20 points
- Capacity and Experience - 15 points
- Operations/Safety/Usage plans for the Transfer Station - 10 points
- Hours of Operation - 10 points
- References - 5 points

The length of the new contract would be three years with the potential to extend the contract by two one-year extensions. The cost of these extensions would be negotiated between the service provider and the Township at that time. The new contract would begin September 2019 and end December 31, 2021.

One proposal was received through this request for proposals process.

ISSUES:

1. **Rationale for Selected Option**

   An evaluation of the proposal received determined that the proposal met the requirements of the Proposal Call.

   In anticipation of the contract costs being higher than the current contract, the operating budget was adjusted to a higher value to accommodate this. A similar approach was also taken by the Town of View Royal. For the 2019 cost, the monthly costs will be adjusted slightly to reflect different hours of operation.

   The location of the transfer station will remain at 605 Canteen Drive in Esquimalt. This location provides a convenient drop off location for residents of each municipality. It will be the only location where free drop off of materials will be offered. The waste stream will not be accepted at no cost at the Proponent’s David Street location.

   With respect to the capacity and experience of the service provider, the Proponent is the current service provider. The operations carried out at the transfer station and the processing of the stream meet with the expectations of the Township. As part of this contract, the Proponent will be taking on the role of Prime Contractor for management of the waste stream. The material being produced also meets the requirements of CRD Bylaw No. 2736.

   The operations/safety/usage plans for the transfer station provided by the Proponent meet the

expectations of the Township. As the contract proceeds, the Township will work with the Proponent to ensure that these plans are maintained or upgraded if needs or requirements change.

The proposed hours under the new contract would be Monday to Saturday from 8:00 am to 5:00 pm. Staff negotiated with the Proponent to change these hours to Tuesday to Sunday from 8:00 am to 5:00 pm. These revised hours will provide increased opportunity for usage by residents and compensate for the loss of free drop off at the David Street location.

The Proponent is the current service provider for this work. The Township has a very positive working relationship with the Proponent.

Based on the evaluation of the Proposal, staff's recommendation is that this contract be awarded to Ellice Recycling.

2. Organizational Implications

This contract would be administered by the Township's Public Works Manager. The Director would be involved in discussions with the Town of View Royal. Activities related to this contract will not impose any significant organizational implications and forms part of the core duties for Engineering and Public Works.

3. Financial Implications

Under the current contract, the cost per month is $11,911.68. This translates into a cost of $142,940 per year. The Request for Proposals required the Proponents to provide a cost per year for 2019, 2020 and 2021. If the contract was to be extended by the two one-year extensions, costs for the extensions would be negotiated with the service provider at that time. Below is the breakdown in costs (no GST is included):

Year	Monthly Charge	Yearly Costs
2019 (current contract)	$11,911.68	$95,293.44 (8 months)
New Contract		
2019	$12,311.68	$49,246.72 (4 months)
2020	$17,323.84	$207,886.08
2021	$17,652.84	$211,834.08
Total cost for contract		$468,966.88

The cost of this line item is shared between the Town of View Royal and the Township of Esquimalt as per the Cost Sharing Agreement. This Agreement will be updated to reflect the conditions of the new contract. The costs recovered are directed recovery accounts to pay for this line item.

Cost splitting is based on the current populations of the two municipalities and is updated based on census results. The current cost sharing split is: Town of View Royal - 37% and Township of Esquimalt - 63%.

The cost split for the new contract between the two municipalities will be:

Year	Contract Cost ($)	TOE ($)	TVR ($)
2019	144,540.16	91,060.30	53,479.86
2020	207,886.08	130,968.23	76,917.85
2021	211,834.08	133,455.47	78,378.61

The Town of View Royal also pays for their portion of the property taxes, electricity, site maintenance, administration of the transfer station and contract costs. For 2019 this cost is $447.22 per month. This cost will be adjusted each year to reflect actual costs but will be a similar magnitude for the life of the contract.

4. Sustainability & Environmental Implications

The management of this waste stream has sustainability or environmental implications. If the Township does not provide some form of service for the management of the waste stream, it could lead to waste being illegally dumped in various areas within the Township or mixed in with either the garbage or kitchen scraps streams.

Dumping sites create aesthetically displeasing locations, and unfortunately, provide homes for rodents. As most of these sites are located in wooded areas or boulevards, the Township would be impacted by them. A cost would be incurred by Township staff to clean up these locations. If this waste stream is mixed in the garbage or kitchen scraps, the CRD will impose fines on the Township for contamination of these streams.

The CRD has initiated a program to determine how to deal with kitchen scraps. As part of the process, the municipalities have requested that any proposed solution would see the inclusion of the yard and garden waste stream as well. At this time, the CRD has not provided any updates on the proposal call, evaluation or proposed solution that will be pursued.

5. Communication & Engagement

The Township will inform the Proponent of the decision to award the Contract to them and finalize the contract requirements.

Information will be provided to the residents of both municipalities concerning the new contract, hours of operation, location of transfer station and what is acceptable to drop off at the site. This information will be provided in various electronic formats and print copies.

ALTERNATIVES:

1. That Council direct staff to enter into a contract with Ellice Recycling for the operation of the transfer station and processing of the yard and garden waste stream for a three year period at total contract cost of $468,966.88 over the term of the contract as outlined in Staff Report EPW-19-017.

2. That Council direct staff to not enter into a contract with Ellice Recycling for the operation of the transfer station and processing of the yard and garden waste stream for a three year period at total contract cost of $468,966.88 over the term of the Contract as outlined in report EPW-19-017 and that request for proposal be cancelled.

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