
CITY OF KELOWNA

MEMORANDUM

Date: March 26, 2008
File No.: 5280-30
To: City Manager
From: Environment & Solid Waste Manager
Subject: Recommendation of Award; Curbside Collection Contract (RFP T07-116)

RECOMMENDATION:

THAT Council awards the curbside collection contract, as outlined in the Report from the Environment & Solid Waste Manager dated March 26, 2008, to O.K. Environmental Waste Systems Ltd. for the seven year period starting on March 1, 2009.

AND THAT Council authorize the Mayor and City Clerk to execute the contract.

BACKGROUND:

City Council has approved moving forward with curbside automation of all solid waste collection services (September 26 and December 17, 2007). Staff prepared the Request for Proposal (T07-116) for the services in December of 2007. The proposal included services for the Regional District and member municipalities in order to provide for an economy of scale and consistency in solid waste management and operations throughout the region. Each member municipality, upon endorsement of "notification of award" will prepare individual contracts for their collection areas.

The advantages of automation are many and were noted in the CH2MHill business case dated August, 2007 and the WRO (Waste Reduction Office) report to the RDCO Engineering Committee dated September 14, 2007. A pilot program for the services was completed in September of 2007 with very strong support from the test areas.

The key advantages with this program are that the solid waste services to the customer are improved and the operating costs are less than a non-automated or manual contracted service (neglecting the initial purchase cost of the carts). The service improvements include cleanliness and convenience and an enhanced frequency of yard waste pick-up (19 annual pick-ups versus the current 6 pick-ups).

EVALUATION PROCESS:

An evaluation team consisting of representative staff from RDCO and member municipalities (2) and the City of Kelowna (3) met several times to develop the RFP and to also evaluate the potential contractor proposals. The City of Kelowna also had its Purchasing Manager provide a key role as process advisor and as a joint facilitator for the evaluation process.

Key criteria were evaluated with a strong emphasis on customer service and the program implementation phase. The key criteria were corporate and financial strength, technical methodology, customer service, experience and historical performance, and the cost associated with providing the requested services.



RECOMMENDED CONTRACTOR:

The recommended contractor is O.K. Environmental Waste Systems Ltd.

High marks were given by the evaluation team based upon a strong written proposal and supplementary information, including the following highlights:

- local company with strong financials.
- provides a variety of equipment for all situations in various locations all of which meet the EPA emission standards (95% reduction in particulates and 80% reduction in nitrogen oxide).
- has strong contingency plans (severe winter conditions, vehicle contingency plans, labour and hiring plans).
- provides for cart delivery in-house with strong planning and execution.
- exceeded requirements for implementation and transition (built in time for pilot testing trucks).
- customer service as per RFP requirements with no exceptions.
- innovative considerations such as GPS, cameras on trucks (contamination monitoring), on board weigh scales, and additional early testing of automation in Region.
- best pricing.

The evaluation team continued its evaluation with an in depth interview with the leading contractor candidate. The interview and subsequent Q and A by the evaluation team firmly placed O.K. Environmental Waste Systems Ltd. as the lead proponent by a considerable margin (almost 10%) over the 2nd highest ranked proponent.

NEXT STEPS:

Upon Council approval, a notice of award will be sent to O.K. Environmental Waste Systems Ltd. City staff will move towards having the contract finalized and signed by mid April. Staff will then put in motion the advertising and program information over the next several months. The next immediate task will involve the Purchasing Department in assembling the documents and coordinating the tender process for the procurement of the garbage, yard waste and recycling carts as a joint purchase between the City and Region.

FINANCIAL/BUDGETARY CONSIDERATIONS:

2008 expenditures will not increase. However, 2009 waste management fees will be reviewed and adjusted during the budgeting process for next year. The annual base cost of the contract is \$2,507,429 although fuel price adjustments will result in fluctuations to this base cost. There will also be a one time expenditure of \$221,000 for cart distribution in early 2009. The contract allows for the possibility of a 3 year term extension at the City's discretion.

INTERNAL CIRCULATION TO:

Finance Dept. and Purchasing Dept.

EXTERNAL CIRCULATION TO:

Waste Reduction Office

Considerations not applicable to this report:

LEGAL/STATUTORY AUTHORITY: NA

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS: N/A

EXISTING POLICY: N/A

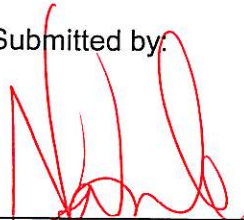
PERSONNEL IMPLICATIONS: N/A

TECHNICAL REQUIREMENTS: N/A

EXTERNAL AGENCY/PUBLIC COMMENTS: N/A

ALTERNATE RECOMMENDATION: N/A

Submitted by:

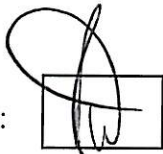


for

Mark Watt

Environment & Solid Waste Manager

Approved for Inclusion:



J. Vos P. Eng. Director Works and Utilities

for