

MEETING DATE: January 24, 2003

SUBJECT: Procurement Authorization - Disposal Of Hazardous Liquid Waste

RECOMMENDATION

It is recommended that the Commission authorize the award of a contract to Quantex Technologies Inc. in the total upset limit amount of \$900,000 for receiving, hauling and disposal of hazardous liquid waste, for the contract period February 1, 2003 to January 31, 2006, on the basis of lower proposed price.

FUNDING

Sufficient funds for 2003 expenditures are included in the 2003 TTC Operating Budget. Sufficient funds will be provided in the 2004, 2005 and 2006 TTC Operating Budgets as required.

BACKGROUND

The Commission has a program for cleaning out hazardous liquid wastes from oil/water interceptors, parts cleaning pits, catch basins and drainage trenches on a regular basis and for spill clean-up to ensure the City of Toronto waste water quality by-law is met. The Commission also has a need for the disposal of waste oil and waste glycol generated by the vehicle maintenance activities. Contractors also complete the hauling of hazardous liquid waste when Commission vehicles do not have the capacity or are not available.

The receipt and disposal of these hazardous liquid wastes has been contracted out to firms certified by the Ministry of the Environment as Receivers and Carriers under Regulation 347 of the Ontario Environmental Protection Act.

DISCUSSION

Specifications were prepared for the receiving, hauling and disposal of hazardous liquid waste.

Nine companies were invited to submit proposals, in addition to the public advertisement on the Commission's Web Site on November 7, 2002, out of which two companies submitted proposals as summarized on the attached Appendix A.

Liquid waste is pumped from Commission sites by Commission vacuum trucks and delivered to a waste disposal contractor transfer site for disposal. The Request for Proposal required that a proponent's receiving/transfer station be located within the Greater Toronto Area (GTA) for receipt of Commission waste. This minimizes the Commission's cost of transporting the hazardous liquid waste.

The low price submission from Quantex Technologies did not state any exceptions/qualifications and included all requested documentation, including copies of the Ministry of the Environment (MOE) Certificates of Approval for a receiver/carrier. Staff contacted the MOE to request any information available on Quantex Technologies and Philip Services and the Ministry reported that no prior convictions and/or current charges are applicable to either company.

Quantex is the current supplier for this service and their performance has been satisfactory. Their proposal is considered technically and commercially acceptable and they are recommended for award of the contract.

A comparison of Quantex Technologies' proposal pricing with the pricing under the current three-year contract reveals a price decrease of approximately 84%. Staff cannot explain the significant price decrease aside from the positive impact that competitive market forces may have had in reducing pricing. However, it should be noted that the pricing from the second bidder (Philip Services) is only 0.1% higher (approximately) than the recommended company's pricing.

The second low bid from Philip Services noted one exception, that their unit price per removal for pumping out waste class 251L from the Duncan Building Steam Jenny Room did not include disposal costs as rates would be made available once disposal volumes are known. As there are only six removals scheduled per year, this is not a significant cost item however they were not considered further due to the price differential.

Staff contacted the non-respondent proponents to determine why they did not bid, and most indicated they have receiving/transfer stations located outside the GTA, thus they were unable to comply with the specified requirement to have their receiving/transfer station located within the GTA.

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JUSTIFICATION

The service for receiving, hauling and disposing of hazardous liquid waste is necessary in order to comply with MOE Regulation 347 of the Ontario Environmental Protection Act.

December 31, 2002

6-75-91

Attachment: Appendix A

**PROCUREMENT AUTHORIZATION –
DISPOSAL OF HAZARDOUS LIQUID WASTE
PROPOSAL SUMMARY**

COMPANY	TOTAL PROPOSAL PRICE
Quantex Technologies Inc.	\$897,697.65
Phillip Services Corp.	\$898,633.90

