

Meeting Date: March 22, 2006

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 of \$1,132,000 for disposal of hazardous liquid waste from various Commission facilities, for approximately a three-year period from April 18, 2006 to April 1, 2009.

Funding

The 2006 TTC Operating Budget includes a total of \$280,700 for disposal of hazardous liquid waste. The cost of disposal under the existing contract from January 1 to April 17, 2006 plus the cost of disposal under the recommended contract from April 18 to December 31, 2006 is estimated at \$323,000. The over-expenditure of \$42,300 in 2006 will be covered by anticipated savings in pick-up and disposal of waste oil which is the subject of a separate report for the March 22, 2006 agenda. Sufficient funds will be provided in the 2007 to 2009 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 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 hazardous liquid waste 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 disposal of hazardous liquid waste. Six companies were invited to submit proposals in addition to the public advertisement on the Commission's web site on November 29, 2005, out of which two companies submitted proposals as summarized on the attached Appendix 'A'. Proponents were requested to provide unit pricing for the disposal of different types of hazardous liquid waste (eg. solvents, chemicals, paints, inorganic wastes, etc.) and related activities based on estimated quantities.

Quantex Technologies (Quantex) submitted the lower priced proposal and did not state any exceptions or qualifications. They also submitted all of the requested submission information (i.e. security deposit, agreement to bond, copies of Ministry of Environment (MOE) Certificates of Approval for a receiver/carrier and a list of references).

Staff contacted the MOE to determine if Quantex has been charged with any violations. The MOE advised that Quantex is currently under investigation for an incident at their site, however, the MOE is not able to provide any detail of the incident or whether it is major or minor. At this point, Quantex has not been charged with a violation. Quantex is currently providing this service to the Commission and their performance has been satisfactory.

Quantex's proposal is considered to be commercially and technically acceptable and they are recommended to be awarded a contract in the upset limit of \$1,132,000 for a three-year period for this requirement.

Under the subject RFP, pricing was requested for the cost of disposal of waste oil and the recommended bidder (Quantex) indicated there would be no cost for same. However, under a separate RFP, pricing was also requested from the companies that would offer revenue for the recycling of the Commission's waste oil. An acceptable bid was received under that RFP that offered approximately \$200,000 per year for the recycling of oil based on the estimated quantities and a separate report recommending a contract award is on the agenda for the March 22, 2006 Commission Meeting. Since the RFP permitted the Commission to award all or any of the items, staff is not recommending the award of the disposal of waste oil to Quantex and since there was no cost associated with its disposal, it does not affect the upset limit award value.

A comparison of the proposed pricing with the current pricing over the last 12 months revealed an overall increase of 15.83% in year one of the contract and no increases in either year two or year three (over year one pricing). The increase is attributed to rising energy costs (mainly natural gas) and price increases in the various chemicals required for processing the waste. In addition, transportation costs, labour costs and insurance rates have all increased dramatically.

Staff contacted the non-respondent proponents to determine why they did not bid and discovered that one non-respondent submitted their proposal submission late. In addition, two of the non-respondents are no longer in business and one of the companies did not respond to the enquiry.

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.

February 22, 2006

6-75-91

Attachment: Appendix 'A'

APPENDIX 'A'

PROCUREMENT AUTHORIZATION – DISPOSAL OF HAZARDOUS LIQUID WASTE

SUMMARY OF PROPOSAL PRICING

COMPANY NAME	TOTAL PROPOSAL PRICE (3 YEARS)
* Quantex Technologies Inc.	\$942,676.50
PSC Industrial Services Canada Inc.	\$1,161,708.24

* Recommended for award in the upset limit of \$1,132,000