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# HALDIMAND COUNTY

## Report ENV-03-2023 Hazardous and Special Product Tender Results – Budget Amendment



For Consideration by Council in Committee on April 11, 2023

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### OBJECTIVE:

To obtain approval for a budget amendment in the Tax Operating funding for operating the Hazardous and Special Products (HSP) collection program.

### RECOMMENDATIONS:

1. THAT Report ENV-03-2023 Hazardous and Special Products Tender Results – Budget Amendment be received;
2. AND THAT the 2023 Tax Supported Operating Budget be amended as outlined in Report ENV-03-2023.

**Prepared by:** Brandon Hedges, Manager, Environmental Operations

**Respectfully submitted:** Philip Mete, P. Eng., General Manager of Public Works Operations

**Approved:** Craig Manley, MCIP, RPP, Chief Administrative Officer

### EXECUTIVE SUMMARY:

The Hazardous and Special Wastes Collection and Processing program consists of four (4) HSP collection events, held on Saturdays in different communities throughout the County. They are typically held in April, June, September and October.

The program was tendered in February 2023 for a term of contract for a period of five (5) years, with an option in favour of the County to extend the Contract on the same terms and conditions for an additional two (2) terms of up to one (1) year each, pending annual budget approval. The County received one bid. Based on the only bid, a budget amendment is required to increase total funding, should Council wish to continue to offer this program. This funding increase is related to higher than estimated bid prices due to increased costs by the bidder to properly dispose of certain hazardous materials as well as limited providers as reflected in the number of bids received.

The proposed budget amendment impacts the Tax Operating Budget. In 2023 this will be offset through gapping, however, in subsequent years it would be reflected in the budgets brought forward to Council.

### BACKGROUND:

The Hazardous and Special Wastes Collection and Processing program includes the following work:

- Operation of four (4) HSP collection events
  - Cayuga Secondary School – 70 Hwy 54, Cayuga
  - McKinnon Park Secondary School – 91 Haddington St., Caledonia

- Hagersville Secondary School – 70 Parkview Rd., Hagersville
- Dunnville Public Works Yard – 710 Main St. E., Dunnville

In addition to the event days, HSP removal services are required at Canborough Waste Management Facility (CWMF) for materials inadvertently collected at the transfer station.

Section 3.03 of Procurement Policy 2013-02 provides the parameters for reallocating budget funds for operations projects to address budget deficits. Under this policy, if the budget shortfall exceeds \$20,000 of the approved budget, a report to Council is required to authorize the proposed amendments.

## **ANALYSIS:**

The Hazardous and Special Wastes Collection and Processing program request for tender closed on March 14, 2023, with one (1) compliant bid. The bid for tender was received from Photech Environmental Solutions Inc. in the amount of \$225,920.99 (including non-rebatable HST). The total approved budget for all components of the project was \$102,120 creating a funding shortfall of \$123,800.99.

Working on the advice from Purchasing, Environmental Operations staff negotiated the “general” scope of the program as well as the budget. Removal of the following items accepted in the past significantly reduced the cost:

- All non-propane gas cylinders (refillable and non-refillable)
- Mercury (very limited uptake)
- Sharps (they can be disposed of at pharmacies)
- Pool chemical oxidizers

With the reduction of the above items and some budget negotiations, the annual cost was reduced to \$160,903.27, leaving a funding shortfall of \$58,783.27.

This 58% increase is in keeping with similar increases reported by many municipalities across the Province. We are aware that other municipalities have similarly had few or no bids received for this service for 2023.

## **FINANCIAL/LEGAL IMPLICATIONS:**

In accordance with Procurement Policy 2013-02, Council must approve a budget revision as the tender results are \$20,000 or more, above the approved budget.

<b>Current Approved Budget</b>	<b>Proposed Revised Budget</b>
\$102,120 / year	\$160,904 / year

Provided the funding is approved, staff will proceed with the award of the tender through a purchase order.

Although not recommended, Council could opt to reduce the number of collection dates to further reduce budget impacts. This would result in some urban centres without an event in a particular year and/or improper disposal of hazardous and special waste.

If supported by Council, there will be a negative variance of approximately \$58,785. Corporately, the surplus or deficit for the tax supported budget is contributed to or funded by the Contingency Reserve.

Potential future inclusion of this initiative in the 2024 Tax Supported Operating Budget will result in a levy increase.

### **STAKEHOLDER IMPACTS:**

Not applicable.

### **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

### **REFERENCES:**

None.

### **ATTACHMENTS:**

None.