

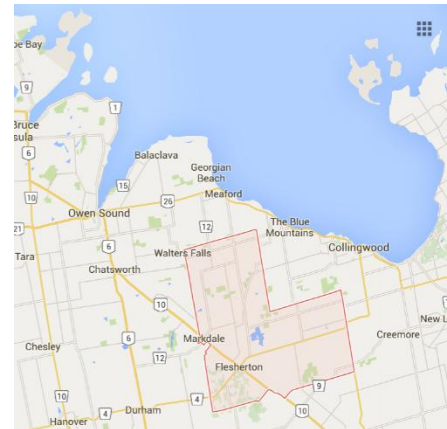
CIF Project #836.4 – Grey Highlands Joint Collections RFP Development

Project Background

Grey Highlands is located in south western Ontario, roughly 50 km. south of Owen Sound. The municipality has a total population of about 10,000.

In 2013, Grey Highlands requested CIF support to work with the neighboring municipalities of Chatsworth and West Grey to determine if greater system efficiencies could be gained through a collective effort.

The three municipalities, producing just over 1,500 tonnes/yr of recyclables, resolved to issue a joint RFP containing numerous waste and recycling collection and processing options, to determine if cost savings could be gained over existing contracts. The three Councils passed resolutions to issue the joint Request for Proposals (RFP) in the fall of 2015 with Grey Highlands taking the lead role as RFP administrator. Grey Highlands' staff, with the help of CIF, wrote the RFP which was issued December 2015 and closed February 2016.



Summary of Results

Five RFP submissions were received and three proponents passed the minimum technical score. Pricing submitted by the preferred proponent confirmed that group savings up to \$348,000 for waste and \$170,000 for recycling could be achieved annually by entering a new joint municipal service contract.

The RFP results and financial analysis were presented to a special joint Councils meeting April 19, 2016. West Grey and Chatsworth Councils subsequently passed resolutions authorizing staff to negotiate a joint contract. Grey Highlands Council met and subsequently notified the CIF of its unanimous decision declining to enter a contract because a reduction in service level for waste collection to bi-weekly (matching existing service levels in the other two municipalities) was required to achieve the projected savings. As a result, the joint working group disbanded.

Learnings

1. Mission Clarity is Key to Success

The termination of this RFP process without award demonstrates the importance of ensuring that service purchasers have a clear prioritization of goals and are committed to actually adopting any of the options included within the scope of the procurement process. This project began because Grey Highlands Council originally directed staff to investigate cost saving options for their waste management program. However, when the time came to commit to the actual service level changes required to achieve the savings proposed by the preferred option, the Council rejected the entire RFP process in favour of maintaining the status quo service level supplied by the local contractor.

2. Lack of Provincial Standards a Disincentive to Harmonization Projects

The lack of provincial BB program standards and goals makes inter-municipal cooperation more difficult. While one community may be willing to consider a reduction in service levels and potential recovery rates in order to achieve cost savings, a neighbouring municipality may be just as likely to prioritize diversion over savings. In the absence of provincial standards and goals, it would be inappropriate for the CIF to suggest either view is preferred.

3. Limit RFP Scope of Work to Actionable Options

Going forward, CIF staff will place a greater emphasis on encouraging municipal councils/staff to identify only actionable community priorities in areas such as service levels and draft the RFP scope of work to match. Municipalities should be strongly discouraged from including more than six options for pricing in a single RFP as this can lead to an excessive level of complexity in the evaluation process which frequently results in uncertainty for council and a corresponding hesitation to act.