



## **REQUEST FOR EXPRESSION OF INTEREST**

Waste Collection & Processing Services  
(2019-2022) File #: 2019-COCHCUI-RFEOI-001

**Date of Issue:** January 2, 2019

### **Submission Date and Time:**

Responses should be received prior to 3 pm local (Calgary) time on February 1, 2019.

### **RFEOI Contacts:**

All inquiries should be directed to:

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Email: [cwong@cuinc.ca](mailto:cwong@cuinc.ca)

This RFEOI is issued jointly by the City of Chestermere and Chestermere Utilities Inc. (referred to collectively herein as "Chestermere").

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## **1. BACKGROUND**

### **1.1 Overview – Chestermere Utilities Inc. (CUI)**

CUI is a wholly-owned subsidiary of the City of Chestermere; providing safe and efficient water, waste water, storm water, solid waste and recycling services to residents and businesses located in Chestermere, Alberta. CUI was established as a standalone corporation in 2012 operating at arms-length from the municipality. CUI's Board of Directors is comprised entirely of members of City Council.

CUI currently uses a two-cart residential waste collection system for recycling and organics. Organics are collected bi-weekly during the winter and weekly during the remainder of the year. Recycling is collected weekly throughout the year. Garbage is manually collected in clear bags on a bi-weekly basis.

In addition to regular collection services, CUI also collects seasonal lakeweeds for approximately 400 customers between the months of July and September. Please note that customers have multiple carts and the number of carts to be collected totals approximately 800.

CUI has provided these services to the residents of Chestermere since 2012. The service currently operates across 5 days per week (Monday to Friday). Recycling processing occurs at a material recovery facility located in Calgary. Organics is processed at a facility outside of Chestermere. Contractors may need to source their own disposal site for organics. Garbage is sent to Calgary.

An overview of CUI's current solid waste services, including information on dwellings, tonnage and assets is provided in Appendix B to this Request for Expression of Interest (the "RFEOI").

### **1.2 Changes to CUI Operations**

On September 4, 2018, Chestermere City Council announced that they were reviewing alternative options for the management of CUI. At their regular meeting on November 6, City Council narrowed down the options for the future of the company with a focus of bringing the operations of CUI back into the City's management and are now considering bringing the company back into the municipality as a department (municipalization).

The City of Chestermere Administration (the City) and CUI are working together to explore how residents of the City of Chestermere will continue to receive waste collection and processing services, with the possibility of outsourcing these services to a third-party provider(s).

## **2. RFEOI PURPOSE**

This RFEOI has been issued jointly by the City of Chestermere and CUI as the first step in a process to select a contractor, or contractors, to perform residential waste and recycling collection and processing services for the City of Chestermere commencing in the Spring of 2019.

The intent of this RFEOI is to identify potentially interested Respondents for the work, and to obtain answers to key questions, so that Chestermere can refine the project scope of work prior to proceeding to a potential next stage – the Request for Proposals (RFP) process.

Following this RFEOI, Chestermere intends to commence an RFP processes to seek a contractor, or contractors, to perform the work which is outlined in this RFEOI. The RFP may be based on information obtained in response to this RFEOI. It should be noted that this RFEOI process is not a pre-qualification of Respondents for a future RFP, and respondents to this RFEOI will not be bound to any answers or process by providing a response.

## **3. SERVICE OVERVIEW – RESIDENTIAL WASTE COLLECTION & PROCESSING**

The following section provides an outline of the intended scope of work. A more detailed scope of work, which may be further refined based on answers to this RFEOI, will be provided in the RFP stage.

### **3.1. Background**

The City of Chestermere is a fast-growing community located 10 minutes east of Calgary with a population of approximately 20,331 and approximately 6,150 residential dwellings. The projected growth rate is 375 dwellings per year.

### **3.2 Scope of Work**

Collection and processing services are required for all three waste streams (garbage, recycling and organics). Chestermere has a preference for the same contractor to perform both collection and processing services for each waste stream, however separate collection and processing contractors will be considered.

The Contractor(s) will collect recycling, organics, garbage and seasonable lakeweeds from CUI-owned carts from approximately 6,150 residential dwellings and arrange for the transportation of collected materials to reputable and pre-approved disposal facilities for separation, sorting and re-sale.

The Contractor(s) will also perform quarterly audits on the waste streams collected and processed and provide this information to Chestermere in a quarterly report that would report on changing habits for its waste collection program.

### 3.3 Objectives

Overall objectives for the Contractor(s) include:

- i. Providing cost efficient services
- ii. Providing good, quality services which meet the requirements of the residents
- iii. Minimal missed collections and downtime
- iv. The generation of good quality recyclables
- v. Services delivered with a consideration for sustainability and support for the City of Chestermere environmental objectives.

### 4. ANTICIPATED TIMELINE

The following is the anticipated timeline for this RFEOI, and the planned RFP process:

Timeline	Milestone Activity
January 2, 2019	Issue RFEOI for Waste Collection & Processing Services
January 18, 2019	Deadline for questions
January 25, 2019	Deadline for Issuing Addenda
February 1, 2019 at 3pm Local Time	Deadline for Submissions
February 28, 2019	Complete review of RFEOI Submissions
March 31, 2019	Issue RFP

### 5. ENQUIRIES

Any enquiries related to this RFEOI should be directed, via email, to the RFEOI Contact listed on the first page of this document.

### 6. METHOD, DATE AND TIME FOR RECEIPT OF SUBMISSIONS

Submissions to this RFEOI should be submitted as follows:

- Via email to the RFEOI Contact listed on the first page of this document.
- The email subject line should be: RFEOI 2019 – Waste Collection & Processing Services”
- Submissions should be submitted before the Deadline for Submissions detailed in Section 4.

**7. PROCESS IS NOT A PREQUALIFICATION PROCESS**

Respondents to this RFEOI should note that this RFEOI process is not a pre-qualification process, and neither Chestermere nor a respondent to this RFEOI shall have any obligation to each other as a result of submission to this RFEOI.

**8 NO OBLIGATION TO PROCEED**

The receipt by Chestermere of any information (including any submissions, ideas, plans, drawings, models or other materials communicated or exhibited by any intended respondent, or on its behalf) shall not impose any obligations on Chestermere. Although Chestermere intends to follow this RFEOI with an RFP process, there is no guarantee by Chestermere, its officers, employees, consultants or agents, that any RFP process will occur.

**9. RESPONDENT EXPENSES**

Respondents are solely responsible for their own expenses in preparing and submitting a response to this RFEOI.

**10. FREEDOM OF INFORMATION**

All responses submitted to Chestermere will be retained in accordance with the *Freedom of Information and Protection of Privacy Act*. Respondents should note that in accordance with the provisions of this Act, certain details of this RFEOI and any responses to it, may be made public; including the Respondent's name. Respondents should identify in their submission if any information supplied is to be kept confidential by Chestermere.

**11. SUBMISSION REQUIREMENT – APPENDIX A**

Respondents choosing to submit a response to this RFEOI should complete and return Appendix A – Respondent Information Form (attached hereto). Respondents may attach further information if they wish as extra sheets.

**APPENDIX A – RESPONDENT INFORMATION FORM (SUBMISSION REQUIREMENTS)**

**Instructions:**

*Respondents are requested to complete each section below and return this Appendix A – Respondent Information Form, as per the instructions on the front cover of the RFEOI. To complete, you can either add text via PDF writer program such as Acrobat Writer; or print, complete by hand, scan and return.*

**1. Respondent Details:**

*Please provide the following key details for the firm submitting the response to this Request for Information:*

Full Legal Name of Respondent:	
Any Other Relevant Name under Which the Respondent Carries on Business:	
Street Address:	
City, Province/State:	
Postal Code:	
Phone Number:	
Company Website (If Any):	
Contact Person and Title:	
Contact Phone:	
Contact E-mail:	

2. **Questions and Answers:**

*The following questions are posed to gain feedback in order to prepare for the next stage Request for Proposals process. Respondents may enter their answers into the space provided below, or include in a separate form.*

Question	Answer
<p>a) <b>Waste Streams:</b> Please indicate which of the four waste streams your company would be interested in performing the services for:</p>	<p>Check boxes as applicable:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Garbage</li> <li><input type="checkbox"/> Recycling</li> <li><input type="checkbox"/> Organics / Yard Waste</li> <li><input type="checkbox"/> Seasonal Lakeweed</li> <li><input type="checkbox"/> All of the above as one combined service</li> </ul>
<p>b) <b>Contract Setup:</b> As indicated in the RFEOI, Chestermere has a preference for one contract for each waste stream covering both collection and processing, rather than separate contracts (one for collection, one for processing). Which of these contract setups would your company seek to provide? Do you have any feedback on advantages or disadvantages on either contract setup?</p>	
<p>c) <b>Term Length:</b> Please advise your preference for the term length for waste collection contracts we award following any RFP.</p> <p>Please also advise any reasoning on why this is your preference. Chestermere is particularly interested in which contract term would offer the most efficiency in terms of lower service costs.</p>	<p>Check boxes as applicable:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> 3- Year Contract Term with fixed pricing</li> <li><input type="checkbox"/> 5- Year Contract Term with fixed pricing</li> <li><input type="checkbox"/> 10 -Year Contract Term with fixed pricing</li> <li><input type="checkbox"/> Other (please advise):</li> </ul> <p>_____</p> <p>_____</p> <p>_____</p>



Question	Answer
<p>d) <b>Remuneration:</b> CUI has historically paid for the collection and processing service by compensating the contractor a unit price per dwelling per month. Would you propose any alternative remuneration models? If so, please state reasons.</p>	
<p>e) <b>Diesel Costs:</b> In order to adjust the price per dwelling to account for the increase or decrease in the cost of fuel, Chestermere would propose having the contractor agree a portion of the cost per dwelling which is attributable to fuel, with an agreement to adjust that portion on the basis of a standard fuel index such as the Oil Price Information Service Monthly Index Price for Diesel Fuel. Would this method work for your company? Would you propose any alternative way to allow consideration in the contract pricing for the fluctuating cost of fuel?</p>	
<p>f) <b>Waste Stream Quality:</b> The final quality of recyclables and organics is important to Chestermere and therefore we are considering setting a standard for compaction in collection trucks to be met by the contractor. Do you agree with this? Do you have any feedback on this issue?</p>	
<p>g) <b>Sustainability:</b> To support Chestermere's objectives on sustainability, we intend to set a requirement for all equipment operating on this contract to be no older than 5 years. Would this cause an issue for your company in bidding this contract? Do you have any feedback on this topic?</p>	

Question	Answer
<p>h) <b>Environmental:</b> Chestermere wants to maintain the highest level of environmental compliance. Please advise where you would likely send your Recyclables, Organics, Garbage and seasonable Lakeweeds for further processing, should you become the contractor as a result of a second-stage RFP process.</p>	
<p>i) <b>Performance Bond / Security:</b> Chestermere intends to require a performance bond or letter of credit for an amount of 10% of the total estimated contract value. The bond will be used to arrange service coverage should the contractor default on its service. Would such a bond or security be problematic for your company? Do you have any feedback on this topic?</p>	
<p>j) <b>4 Day vs 5 Day Service:</b> Later in 2019, Chestermere is considering moving from collections over 5 days per week, down to collections over 4 days per week (Tuesday to Friday). If this change were made, what impact would you see on costs or operations? What advantages or disadvantages would you see for the Chestermere on this service if the change were made to a 4 day service?</p>	
<p>k) <b>Missed Collections:</b> How would you propose missed collections are handled, next day service? What is the cost of re-collections and how would Chestermere determine responsibility?</p>	

Question	Answer
<p>l) <b>Auditing &amp; Compliance:</b> In the event Chestermere required a waste study / audit performed would you be able to provide that service. How do you handle obvious non-conformance tagging carts, notifications?</p>	
<p>m) <b>Manual Garbage Collection:</b> Currently garbage is collected manually, will you be able to provide this service and what additional challenges does this create for you?</p>	
<p>n) <b>Lakeweeds:</b> CUI collects lakeweeds July 1<sup>st</sup> to End of Sept yearly. How will you handle this additional waste stream?</p>	
<p>o) <b>Existing Assets:</b> CUI currently has some existing capital assets used for collections (detailed in Appendix B). Would you be interested in purchasing any of these assets as part of an RFP process to perform waste collection services?</p>	
<p>p) <b>Existing Fleet Storage Shop:</b> CUI currently has an existing heated fleet storage shop and yard. Would you be interested in leasing or purchasing this facility if you were to become a contractor?</p>	
<p>q) <b>Processing:</b> Are there any waste streams that you would recommend excluding from the current collection program? Would there be a price difference in your service if the item(s) were excluded?</p>	

Question	Answer
r) Is there any other feedback you would <i>like</i> us to consider on this service and/or the next stage RFP process? We are particularly interested in feedback which enables us to setup the RFP process and contract to achieve optimal balance between quality service and most efficient cost.	

**END OF APPENDIX 1 – RESPONDENT INFORMATION FORM**

## APPENDIX B – CURRENT SOLID WASTE INFORMATION

- Collection area:
  - 6150 Residential Dwellings (as of October 2018)
- Projected 5yr Residential Growth:
  - 2019 + 124
  - 2020 +347
  - 2021+ 653
  - 2022 +606
  - 2023 +466
- 3 Streams + 1 Seasonable Stream (Lakeweeds):
  - Recycle
  - Organics
  - Garbage
  - Lakeweeds (400 dwellings – lakefront properties)
- Collection Frequency:
  - Recycling
    - Weekly year-round
    - Blue Cart (360L)
    - Fully automated process
  - Organics
    - Weekly April to October
    - Bi-weekly November to March
    - Green Cart (240L)
    - Fully automated process
  - Garbage
    - Bi-weekly year-round
    - Up to 2 Clear bags (max 25kg each)
    - Manual process
  - Lakeweeds
    - Seasonable Weekly (July to Mid October)
    - Lakeweed Cart (360L)
    - Fully automated process
- Annual Tonnages (November 2018 YTD + December Forecast):
  - Recycle 2018 Data 1,427.30 Tonnes.
  - Organics 2018 Data 2,591.38 Tonnes.
  - Garbage 2018 Data 909.39 Tonnes.
  - Lakeweeds 2018 Data 54.39 Tonnes.

RFEOI 2019 Waste Collection & Processing Services RFEOI

2018 Annual Tonnage Breakdown (Jan to Nov Actuals) December forecast

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Organics	144.55	86.11	121.94	187.45	382.7	333.62	288.16	277.82	206.68	281.82	135.53	145.00	2591.38
Recycle	122.17	95.53	108.88	113.45	142.4	110.24	120.35	118.1	111.22	126.61	129.85	128.5	1427.3
Garbage	80.43	65.02	66.87	77.09	99.41	85.92	73.88	64.43	68.27	81.42	70.87	75.78	909.39
Lakeweeds	0	0	0	0	0	0	10.5	24.22	8.82	10.85	0	0	54.39

**CUI Current Assets**

Unit #	Year	Mileage	Hours	Primary Useage	Comments
CC-001	2015	117,010	6,057	Organics	Special Designed unit for Organics Only has Auger not Packer, dual drive
CC-002	2009	156,931	10,589	Organics	Backup for CC-001, utilized bi weekly to reduce hours on CC-001
RC-003	2018	4,337	76	Recycle	Brand New Unit - Dedicated to Recycle utilized bi,weekly
RC-002	2009	156,563	11,582	Recycle	Backup for RC-003, utilized bi weekly to reduce hours on RC003
GB-002	2008	208,335	13,459	Garbage	Drop Chassis reduces HS&E risk, dual drive, no dedicated back up unit

**CUI Fleet Storage Building**

Shop is a heated building with four (4) overhead doors. There is room to store 5 commercial trucks. The total square footage is approximately 3,750. The Shop is located on City of Chestermere owned property with a security fence and electronic gate. There is no office space or washroom facilities.