



REGIONAL
DISTRICT
OF NANAIMO

CHURCH ROAD TRANSFER STATION HAULING CONTRACT EXTENSION 2022-2023

RECOMMENDATION

That the Board extend the current contract with Magnum Disposal Services Ltd. for one (1) year from July 1, 2022, to June 30, 2023, at an estimated value of \$393,000 plus GST.

BACKGROUND

The Church Road Transfer Station (CRTS) receives Food Waste, Yard Waste, and Municipal Solid Waste which are individually consolidated into commercial walking floor trailers and hauled to Circular Waste BC and/or the Regional Landfill for processing.

In 2018, the Regional District of Nanaimo (RDN) and Magnum Disposal Services Ltd. entered into a two (2) year contract to provide for these hauling services. Section 2.2 of the contract states:

“This Contract may be extended for three (3) single year terms by mutual written agreement of the parties hereto.”

The first contract extension was approved by the Board in 2020. At the July 13, 2021, Board meeting, the Board moved to extend the current contract between the RDN and Magnum Disposal Ltd. for the second 1-year extension from July 1, 2021, to June 30, 2022.

Magnum Disposal Services Ltd. is agreeable to extend the current contract for a third and final one (1) year term from July 1, 2022, to June 30, 2023, with an increase to the hauling fee equal to the average BC Consumer Price Index for the preceding twelve (12) months. The increase is equal to 4.5% bringing the per trip hauling fee to \$357.01. This would be the third increase in hauling fees since the inception of the contract in 2018. The 2018 rate was \$325.00/trip, and it has risen to \$357.01/trip, a 10% increase over the five (5) year term. Staff believe an average annual increase of 2% is reasonable for the services provided.

Since 2018, Magnum Disposal Services Ltd. has provided reliable and timely service. As the needs of the Solid Waste Department change, Magnum Disposal Services Ltd. adapts to ensure uninterrupted and reliable service delivery to the region.

FINANCIAL IMPLICATIONS

The costs of this contract and the proposed increase are provided for in the Approved 2022 Solid Waste Budget, and the total estimated costs of the contract extension are lower than the budgeted amount.

STRATEGIC PLAN ALIGNMENT

Climate Change - Be leaders in climate change adaptation and mitigation, and become net zero by 2032.

The timely and efficient transfer of wastes received at the CRTS reduces the carbon footprint of both RDN Solid Waste Services and local Commercial Haulers. Material generated in the District of Lantzville, City of Parksville, Town of Qualicum Beach, and Northern Electoral Areas can be consolidated into one transport and hauled to the appropriate facility. This consolidation reduces the volume of vehicles traveling to southern disposal facilities, there-by lowering carbon emissions.

REVIEWED BY:

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