

E&E Project Evaluation Form

****Please be advised that completed evaluations are made available publicly and are posted on Stewardship Ontario's E&E Fund web site****

Project Name/Number/Priority area: Model Recycling Tender Tool / #97/ Cost Containment

Lead Sponsor/competed by/date: REIC Perth (for Kingston)

Project Duration: December 2004 to April 2005

Total project value: \$72,600 (66,600 labour plus \$6,000 expenses)

E&E funding amount: \$72,600

Section 1 –To be completed by Project Applicant

1) What were the Project Goals and Objectives (as per the E&E Application and/or Contract)?

Since the turnover of service contracts represents a major opportunity to make changes to increase the cost-effectiveness of a recycling program, the objective of this project was to conduct research and develop a series of model recycling tender documents to help municipalities develop better, tighter tenders that lead to more competitive bids and more cost-effective recycling contracts.

2) Were the goals and objectives met? (and if not why not?)

Yes, and in fact exceeded, as the documents then evolved into a more user-friendly tool on the Knowledge Network.

3) Summary of Project Accomplishments (i.e. what did the project do/achieve?):

The following 7 documents (6 MS Word documents and 1 Excel spreadsheet) were developed to assist municipal staff in preparing their contracts:

- User Guide
- Process Guide
- Key Decisions
- Bid Sheets (document and spreadsheet)
- Tender Text Guide
- Tender Text

Municipal staff could opt to download any or all of the documents, and make use of them however they chose. Two main options were available: cutting useful parts out of the tools and pasting them into a previous tender, or for those municipalities who felt there were major problems with their previous tender, working from a clean sheet version.

One municipality, the City of Kingston, has actively used the Tender Tools and Help Desk function to create a tender or request for proposal, has released it, and received prices back. Those prices were over \$250,000 less per year than the previous contract, but this was likely the result of a number of factors, only one of which was the use of the Tender Tools and its Help Desk function.

North Grenville also made some use of the tender tools last summer, before they were converted into the Knowledge Product form. Jeff McEwen, Engineering Technologist at the Municipality, said the documents "were very useful in helping to guide the thought process needed to effectively structure the tender." The contract was awarded to a combination garbage/recycling tender. The overall costs

reflected an increase approximately in line with inflation, with the recycling costs slightly lower than in the previous contract.

Many municipalities are either now in the tender development process or will soon be, and have either already started working through the Tender Tools or have expressed interest in doing so. The contractor responsible for this project, Alfred Von Mirbach, will be working with them in the coming months through the Help Desk function, and it is hoped that by the Fall 2006, the contractor will be able to report on what happened to these municipalities' contract costs.

4) Summary of Project Limitations *(e.g. is there anything that should have been done differently?)*

Initially, the complex nature of the contracting process and great variability of municipal circumstances led to a product that appeared intimidating to staff that were already overworked and had little time to wade through documents, regardless of how useful they might be. However, by transforming the various documents into a more useful on-line series of modules, it has become easier for users to quickly access only those portions of the various documents that are useful to their specific circumstances.

The input and testing process for the development and refinement of both the original word documents and subsequent Knowledge Product was quite fluid. An advisory team of municipal staff and contractors was actively involved from the beginning. Draft versions of the documents were sent out to a number of municipal staff that were thought likely to be receptive reviewing and commenting on the tools. Little constructive feedback was received however, mostly because staff were too busy to spend the required time working through the documents, or because they felt the documents were fine.

As the documents were converted to a Knowledge Product, other municipal staff were again selected and contacted for input, but once again, little constructive input was received, for similar reasons outlined above. The focus then changed to contacting as many potentially appropriate municipalities as possible (ones who contracts would soon be expiring and who appeared to be "outliers"), explaining the product, encouraging them to use it, and offering them personalized assistance, through the Help Desk function. It was also hoped that some municipalities would directly request Help Desk services as a result of word of mouth, presentations on the Tender Tools product, or from direct access via the Knowledge Network.

4) What do you consider to have been the key "lessons learned" from this project? Does your project/activity represent a "best practice"?

With regards to process, key lesson learned relate to how much more effective the tool became when converted to an on-line Knowledge Product supported by a Help Desk function. A second key lesson was that it does not matter how great the product is, many municipal staff report that they are so overworked that they cannot free up the time to check out new "tools" unless they are motivated by direct one-on-one contact to persuade them of how the tools will save them time and produce more cost effective recycling programs.

With regards to content learnings, this project highlighted the importance for municipalities to craft their tenders and contracts so as to enable as many contractors as possible to bid (maximizing competition); and for municipalities to maximize the opportunity for contractors to "sharpen their pencils" while still protecting municipal interests. This means that municipalities' contracts should explicitly manage the risk and uncertainty that often leads to higher prices, thereby eliminating unnecessary and expensive clauses. In almost all cases then, it makes most sense, from a cost standpoint, for municipalities to

keep revenues from material sales. The primary reason is that, given how contractors approach risk management, the municipality stands to lose regardless if they have the contractor keep revenue. The Model Recycling Tender Tools applies this important learning by helping municipalities manage risk effectively.

6) What specifically are municipal staff doing with the experiences and data from this project? Do you have plans to apply these lessons in your program? Please explain how.

Through the evolution of the material from this contract into a Knowledge Network product as well as the active promotion and support provided via the Help Desk function, many municipalities are now being encouraged to access and use the tools. In addition to the two municipalities mentioned above (Kingston and North Grenville), North Huron sought assistance from the Help Desk function, and incorporated the suggestions regarding their specific circumstances into their Tender.

Now that the tools are getting more exposure through the Knowledge Network and direct targeted calls, it is anticipated that there will be considerable more use of the various products by municipal staff. It is anticipated that in the coming months (February and March), Alfred Von Mirbach, the project consultant, will be working actively with a number of other municipalities who have expressed interest, and results from their tendering activities should be out by mid-summer.

7) Has your municipal council been informed about the project and its results?

See question 6 above.

8) Do you think there are opportunities to share/replicate the successful elements of this project with other Ontario programs? If yes, how and where?

As noted above, this project was designed from the start for immediate replication and use by municipalities throughout Ontario.

9) Did this project result in either reduced costs per tonne of Blue Box waste recycled and/or increased Blue Box tonnes diverted? (Please explain)

See question 3 above.

Section 2 –To be completed by Stewardship Ontario (and reviewed by applicant)

9) Did this project do what it set out to do? If not, what were the reasons/ barriers?

As per the original contract, the project set out to accomplish the following tasks:

- Task 1 Review and analyse WDO 2002 and 2003 financial datacall
- Task 2 Review documentation from jurisdictions outside Ontario
- Task 3 Review specific contract documents & survey selected program operators
- Task 4 Summarize findings and identify contracting best practices
- Task 5 Develop model tender and contract documents
- Task 6 Support and participate in workshop

The main deliverable to come out of this project is the design and development of a Model Recycling Tender Tool (includes 6 different modules) and Resource templates (model recycling tender text and sample bid sheets). All these resources were made available through the Knowledge Network, and are supported by a Help Desk function, which enables users to contact the expert consultant who developed the tools directly (via e-mail or phone).

10) What are the key learnings from this project? Are there any next steps? What is being done to share the results?

As mentioned by the consultant above, the main learnings from this project are the importance of making resources such as the Model Recycling Tender Tool user-friendly and accessible, and the realization that municipalities have little time to devote to new tools such as these. It is therefore important to ensure direct one-on-one contact to convince municipal staff that using the tools will result in time savings and lead to more cost-effective programs. Based on this, Stewardship Ontario has approved an extension project, which includes the following three “next step” activities:

- 1) Pilot a proactive “help desk” contact service in 10 targeted municipalities
- 2) Pilot a responsive “help desk” support service in up to 10 municipalities that approach the service for help
- 3) Work with OWMA to develop a province-wide comprehensive recycling contractors bidders list (for use by interested municipalities)

The targeted municipalities have been directly contacted by Alfred von Mirbach, the project contractor, and a mailout to those programs reporting no revenues and whose contract has or will soon expire, as identified through the 2004 WDO Datacall, was carried out by Stewardship Ontario staff.

The direct contact with these municipalities will provide the opportunity to further refine the tools and make required changes on the Knowledge Network.

11) Was the project good value for the money (e.g. were there measureable program or system cost reduction benefits, cost effective tonnage increases, etc?)

This project was worth \$72,600. Another \$22,500 has been set aside for the Help Desk Function specifically. It has been recognized that the structure and specifications of a contract are significant factors in the overall net cost of municipal Blue Box Program. Through its production of model tender and contract documents, this project addressed this specific goal. For example, as mentioned above, the City of Kingston put out a recycling RFP late in 2005, using the tools and help desk functions. In part due to the useful direction provided by the tools, the winning proposal came in over \$250,000 less per year than the previous contract.

12) Does this project represent “best practices”? If yes, explain.

See question 11 above.

Did this project have a direct impact on Blue Box tonnes recycled ? (Please explain)

None that could be directly assessed.

Did this project have a direct impact on the cost of Blue Box recycling? (Please explain)

See city of Kingston example above.

Total project cost - \$72,600

E&E contribution – \$72,600

Other Cash/in-kind contributions – none