



City of Richmond

Report to Committee

To: General Purposes Committee
From: Suzanne Bycraft
 Manager, Emergency & Environmental Programs
Re: Award of Contract T.1577 - Recycling Depot

To General Purposes May 2, 2005

Date: April 26, 2005

File: 03-1000-20-T.1577

Staff Recommendation

That Contract T.1577, Recycling Depot, for the period July 1, 2005 – June 30, 2008, be awarded as follows:

1. Supersave Save Disposal Inc. - the container collection and recycling services for the following commodities at the unit rates quoted: Newspaper, Magazines, Telephone Books, Tin, Glass and Plastic.
2. BFI Canada Inc. - the container collection and recycling services for the following commodities at the unit rates quoted: Mixed Paper, Cardboard, Scrap Metal, Scrap Aluminum.
3. International Paper Industries - the container collection and recycling services for Yard Waste at the unit rates quoted.

Suzanne Bycraft
 Manager, Emergency & Environmental Programs
 (3338)

| FOR ORIGINATING DIVISION USE ONLY | | | | | |
|-----------------------------------|---|-----------------------------|---------------------------------------|---|-----------------------------|
| ROUTED TO: | CONCURRENCE | | CONCURRENCE OF GENERAL MANAGER | | |
| Purchasing..... | Y <input checked="" type="checkbox"/> | N <input type="checkbox"/> | | | |
| REVIEWED BY TAG | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | REVIEWED BY CAO | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

Staff Report

Origin

The City contracts the provision of recycling containers at the City Recycling Depot, including container collection, transportation, and processing and marketing of the recycling commodities. The current contract expires on June 30, 2005. A new tender, Contract T.1577, for the period July 1, 2005 – June 30, 2008, was issued. This report presents the results of this tender process and recommends award of the contract.

This tender is structured as a commodity contract, which allows the City to choose the best value based on each material commodity, and therefore award any one or more components of the work to any one or more bidders.

Analysis

Tenders were received from three proponents: BFI Canada Inc., Super Save Disposal Inc., and International Paper Industries. The results are outlined in the following table. These costs do not include GST and are based on net annual amounts after estimated revenues. These net amounts will vary depending on market commodity values, which fluctuate. Note that positive dollar amounts represent overall revenue to the City and negative (-) amounts represent a cost. The dollar amounts highlighted in bold represent those recommended by staff.

| T.1577 – Recycling Depot Tender Comparison | | | | |
|---|--------------------|--------------------------|--------------------------------|------------------------|
| Commodity Type | BFI Canada Inc. | Super Save Disposal Inc. | International Paper Industries | Recommended Bidder |
| Newspaper | \$9,009.60 | \$9,252.00 | \$8,052.00 | Super Save Disposal |
| Mixed Paper | \$7,065.24 | \$2,000.04 | \$1,311.72 | BFI Canada Inc. |
| Cardboard | \$8,681.76 | \$3,616.32 | \$2,689.44 | BFI Canada Inc. |
| Magazines | \$1,961.40 | \$2,460.00 | \$834.00 | Super Save Disposal |
| Telephone Books | -\$879.60 | -\$510.00 | -\$1,221.00 | Super Save Disposal |
| Tin Cans | -\$480.00 | -\$42.00 | -\$1,110.00 | Super Save Disposal |
| Scrap Metal | \$16,170.00 | \$7,308.00 | \$10,992.00 | BFI Canada Inc. |
| Scrap Aluminum | \$8,826.00 | \$2,118.00 | -\$888.00 | BFI Canada Inc. |
| Glass | -\$1,542.00 | -\$822.00 | -\$2,304.00 | Super Save Disposal |
| Plastic | -\$3,312.00 | -\$3,120.00 | -\$7,224.00 | Super Save Disposal |
| Yard Waste | -\$74,100.00 | -\$80,160.00 | -\$68,940.00 | Intl. Paper Industries |
| Total Recommended | \$40,743.00 | \$7,218.00 | -\$68,940.00 | |

Overall, the contracted services at the Recycling Depot represent a net annual cost of \$21,000, after estimated revenues are considered, based on the tenders received. This represents a savings of approximately \$25,000 over existing costs, based on current commodity revenue projections. Annual savings/costs will vary depending on actual commodity values, which fluctuate throughout the year.

Financial Impact

Funding for this contract is provided for in the Sanitation and Recycling Operations budget.

Conclusion

The recommended award of this tender is based on best value to the City on a commodity-by-commodity basis. This results in awarding the work to three different contractors. The contract term is from July 1, 2005 – June 30, 2008, with the ability to renew for an additional two, one-year terms upon mutual consent.



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SJB: