



**To:** Public Works and Transportation Committee      **Date:** May 6, 2002  
**From:** Suzanne Bycraft  
 Manager, Emergency & Environmental Programs      **File:** 6370-04  
**Re:** Award of Contract T.1531 - Recycling Depot

**Staff Recommendation**

That Contract T.1531, Recycling Depot, be awarded as follows:

- a) That Salish Disposal be awarded container, transportation and processing/ marketing services for Newspaper, Magazines, Telephone Books, Tin, Scrap Metal, Glass, Plastics and Yard Waste as indicated in the staff report;
- b) That BFI Canada Inc. be awarded container, transportation and processing/ marketing services for Mixed Paper, Corrugated Cardboard and Scrap Aluminum as indicated in the staff report.

Suzanne Bycraft  
Manager, Emergency & Environmental Programs

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## Staff Report

### Origin

In March, 2002, T.1531 was issued for the provision of containers, container transportation, and material processing and marketing for the various recycling commodities accepted at the City's Recycling Depot. The contract term is for three years, subject to two one-year extensions by mutual agreement.

This tender was structured as a commodity contract, which allows the City to award any one or more components of the work to any one or more bidders.

This report presents the tender results, and recommends award of the tender to Salish Disposal and BFI Canada Inc.

### Analysis

Bids were received from four proponents: Canadian Waste, Salish Disposal, BFI Canada Inc, and SuperSave Disposal as follows:

T.1531 – Recycling Depot Comparison of Bids Received - Annual Amounts*				
Commodity	Canadian Waste	Salish Disposal	BFI Canada Inc.	SuperSave Disposal
Newspaper <sup>1</sup>	\$4,943.40	<b>\$3,659.40</b>	\$4,586.40	\$8,189.88
Mixed Paper <sup>1</sup>	\$12,294.36	\$15,752.28	<b>\$13,528.20</b>	\$17,399.28
Cardboard <sup>1</sup>	\$11,966.88	\$16,718.04	<b>\$13,342.68</b>	\$17,181.00
Magazines <sup>1</sup>	\$2,632.20	<b>\$1,155.60</b>	\$2,815.44	\$5,693.76
Telephone Books <sup>1</sup>	\$2,311.20	<b>\$930.96</b>	\$1,602.12	\$4,120.92
Tin	\$2,407.56	<b>\$353.16</b>	\$1,303.32	\$3,349.20
Scrap Metal	No bid	<b>(\$2,520.00)</b>	\$6,717.84	<b>(\$6,312.00)</b>
Scrap Aluminum	\$2,214.96	\$417.36	<b>(\$2,694.60)</b>	\$1,142.76
Glass	\$2,985.36	<b>\$1,547.28</b>	\$1,980.84	\$6,288.96
Plastic	\$3,852.00	<b>\$1,926.00</b>	\$2,042.88	\$5,044.08
Yard Waste	\$72,546.00	<b>\$69,015.00</b>	<del>\$67,428.00</del>	\$76,308.12
<b>Total Annual Amount</b>	\$118,153.92	\$108,954.48	\$112,653.12	\$138,405.96

\*Amounts in brackets ( ) represent a revenue to the City.

<sup>1</sup>The City will receive commodity revenues for these materials to off-set costs, based on contract-stipulated indicator values. Revenue amounts are not shown due to monthly variability.

The amounts in bold represent the commodity award as recommended by staff. The amounts which have been struck out were not considered because the bid format did not conform to that prescribed in the tender document. The bid by Canadian Waste for Mixed Paper and Cardboard, although the lowest received, is not recommended because the costs are based on using aged compaction equipment. These units are currently in place at the Recycling Depot, and they continually malfunction. New compaction equipment is required, as provided for in BFI's bid.

The Recycling Depot container rental and hauling services are currently provided on a month-to-month basis by Canadian Waste Services. Material processing services are coordinated separately by staff with processing operators. Under the new contract all rental, hauling and material processing services will be the responsibility of the contractor.

**Financial Impact**

The total annual value of the work, as recommended for award, is \$100,243.68. This amount will be offset by revenues, estimated at 20%, that the City will receive for all paper-based items. Revenue amounts will vary depending on market conditions and pre-determined indicators, as outlined in the contract documents.

The total costs as outlined represent annual savings of approximately 10% over current Recycling Depot service costs.

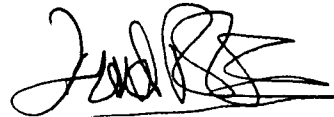
**Conclusion**

Contract T.1531, Recycling Depot, provides for a longer-term service agreement, as opposed to the current month-to-month arrangement. The prices obtained through the tender process represent savings of approximately 10% over current rates. The contract provides the flexibility to award the various commodity services based on best value, and it is therefore recommended that the tender be awarded to Salish Disposal Ltd. and BFI Canada Inc.

The contract term will be July 1, 2002 – June 30, 2005, with the ability to renew for an additional two, one-year terms upon mutual consent.



Suzanne Bycraft  
Manager, Emergency & Environmental Programs



David Phipps  
Buyer II