



City of Richmond

Report to Committee

To: Public Works and Transportation Committee *To PW+T - September 5, 2002*
Date: August 8, 2002
From: Suzanne Bycraft **File:** 0775-20-T.1538
 Manager, Emergency & Environmental Programs
Re: **Award of T.1538 - Residential Solid Waste and Recycling Collection Services**

Staff Recommendation

1. That Contract T.1538, Residential Solid Waste and Recycling Collection Services, for the period January 1, 2003 – December 31, 2007, be awarded to International Paper Industries Ltd., at the unit rates quoted, in the total tendered annual amount of \$3,053,831.10.
2. That pizza boxes be added to the scope of the City's recycling collection program, at an additional annual cost of \$20,340.00.

Suzanne Bycraft
Manager, Emergency & Environmental Programs

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Purchasing.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

Staff Report

Origin

The City's current contract for residential solid waste and recycling collection services is with Canadian Waste Services and expires on December 31, 2002. As a result, a new tender, T.1538, was issued. This report presents the results of the tender process, and recommends award of the new contract to International Paper Industries Ltd.

Analysis

The services provided under T.1538 are combined into one comprehensive contract and include weekly garbage and yard waste collection for single-family households, and weekly recycling collection services for all residents.

At the tender opening held on July 31, 2002, four tenders were received for these services, as follows:

International Paper Industries North Vancouver, B.C.	\$3,053,831.10
Capital Environmental Resources Inc. Abbotsford, B.C.	\$3,253,529.50
Canadian Waste Services Inc. Coquitlam, B.C.	\$3,388,187.64
BFI Canada Inc. Coquitlam, B.C.	\$4,213,006.93

In addition to guaranteed revenues from the sale of recycling materials provided in the base contract prices above, an option is also provided for bidders to propose a further revenue sharing formula to the City. These revenues are dependent on market conditions. Based on estimated revenues, the revenue sharing formula proposed by Capital, Canadian Waste and BFI results in a favourable reduction to their tendered bids. After the proposed revenue sharing formulas are considered, however, the tender by International Paper Industries remains the lowest of the tenders received.

A reference check of International Paper Industries' current contracts indicates no issues or concerns regarding their performance or ability to carry out the work.

The tender proposed by IPI includes an option for the City to increase the level of service by adding pizza boxes to the mixed paper recycling stream. The additional annual cost for this service is \$20,340. The Solid Waste and Recycling Department receives a number of complaints from residents who wish to recycle this commodity and help to reduce their garbage volumes. As a result, staff are recommending that this option be exercised, and the level of service be expanded to include the collection of pizza boxes.

Financial Impact

The total annual tendered amount for this work is \$3,053,831.10. The additional annual cost to add pizza boxes to the recycling program is \$20,340. These amounts are well within anticipated budget expectations. This program is funded from the solid waste and recycling utility and these amounts will be reflected in the 2003 utility rates.

Conclusion

The tender proposed by International Paper Industries for Contract T.1538 represents best value to the City. References provided by other cities, where IPI has current contracts in place, indicates they are capable of performing the work in a satisfactory manner. IPI's tender includes an option for the City to expand our recycling program to include pizza boxes, and staff recommend we exercise this option.

The new contract will be effective January 1, 2003.



Suzanne Bycraft
Manager, Emergency & Environmental Programs

SJB: