



City of Richmond

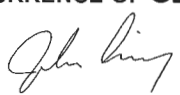

Report to Committee

To: Public Works and Transportation Committee **Date:** August 11, 2022
From: Suzanne Bycraft **File:** 10-6370-01/2022-Vol
 Director, Public Works Operations 01
Re: **Award of Contract: 8058P – Garbage and Cardboard Containers and
 Collection Services at City Facilities**

Staff Recommendation

1. That Contract 8058P – Garbage and Cardboard Containers and Collection Services at City Facilities be awarded for a three-year term, commencing November 1, 2022 to Super Save Group of Companies at an estimated total contract value of \$383,672.74, as described in the report titled “Award of Contract: 8058P – Garbage and Cardboard Containers and Collection Services at City Facilities”, dated August 11, 2022, from the Director, Public Works Operations; and
2. That the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to extend the initial three-year term, up to the maximum total term of five years, for the maximum total amount of \$665,714.80, as described in the report titled “Award of Contract: 8058P – Garbage and Cardboard Containers and Collection Services at City Facilities”, dated August 11, 2022, from the Director, Public Works Operations.

Suzanne Bycraft
 Director, Public Works Operations
 (604-233-3338)

REPORT CONCURRENCE		
ROUTED TO: Finance Department Purchasing	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER 
	SENIOR STAFF REPORT REVIEW	INITIALS: 

Staff Report

Origin

The City contracts services for front-end garbage and cardboard containers and collection for various City Facilities throughout Richmond. This service includes the provisioning of containers, transportation, disposal of waste materials and collection and recycling of cardboard. The previous five-year contract (three-year term, plus two one-year renewals) was awarded on September 1, 2017 to Maple Leaf Disposal Ltd. and will continue pending award of the new contract.

To engage a qualified service provider, a procurement process was undertaken via a Request for Proposals (RFP) 8058P Garbage and Cardboard Containers and Collection Services at City Facilities.

This report presents the results of this RFP and recommends the award of a contract to Super Save Group of Companies (“Super Save”).

This report supports Council’s Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.3 Decision-making focuses on sustainability and considers circular economic principles.

Analysis

Request for Proposals 8058P – Garbage and Cardboard Containers and Collection Services at City Facilities

The above referenced RFP was posted on Bids & Tenders on April 28, 2022 and closed on May 26, 2022.

The RFP requested proponents submit financial proposals for the supply, hauling and servicing of containers, and the disposal and processing of materials collected.

Costs include container rental fees, labour, transportation, processing or disposal, and all equipment and materials required for completion of the work.

Seven proposals were received by the closing date from the following proponents:

- Super Save Group of Companies
- Waste Connections
- Maple Leaf Disposal Ltd.
- GFL Environmental
- Waste Management of Canada
- Hankins Environmental Consulting
- Waste Control Services

Review Process

Staff undertook independent reviews of the proposal responses. Proposals were scored and evaluated against pre-determined criteria that included:

- Corporate profile and capacity
- Demonstrated experience and references
- Project understanding, approach, methodology and work plan
- Circular economy and sustainability opportunities
- Financial performance

The evaluation results of the RFP are summarized in Table 1.

Table 1: Evaluation Results

Ranking	Proponent	Evaluation Score	Proponent's Pricing based on 5-Year Contract Term
1	Super Save Group of Companies	98.00%	\$532,571.84
2	Maple Leaf Disposal Ltd.	87.76%	\$672,515.52
3	GFL Environmental	72.83%	\$898,375.36
4	Waste Management of Canada	68.34%	\$769,397.65
5	Waste Control Services	65.68%	\$881,695.30
6	Hankins Environmental Consulting	61.29%	\$728,745.47
7	Waste Connections	52.25%	\$1,370,300.17

Based on staff's evaluation of the proposals received, the proposal submitted by Super Save received the highest overall score and therefore was ranked first (shown in Table 1). Staff determined Super Save to have the greatest ability to meet the scope and nature of the work and provide best value to the City due to favourable pricing, experience and capacity in addition to the value-add services. The value-add services include an optional annual "Shred-a-thon" for residents at a time and location agreed between the City and Super Save. Additionally, they have offered preferred pricing on fence and toilet rentals as opposed to the standard rates normally offered. A quote would be provided based on requirements.

Contract Terms

The key terms of the service contract will include:

1. *Collection Services:* The provision of front-end containers, collection, transportation and delivery of collected materials to disposal or processing facilities.
2. *Disposal or Processing Services:* The proponent will ensure proper disposal, processing, sale or trade at fair market value, with recyclable materials being sold or traded with the purpose of being recycled into new products.
3. *Term:* The contract will have an initial term of three (3) years commencing on November 1, 2022. The agreement may be renewed under the same terms and conditions for a maximum of two (2) additional one (1) year terms.

4. *Escalation:* Annual CPI increase based on the Transportation Index for British Columbia for the previous 12 months, applicable on the anniversary date of the contract.
5. *Processing and Disposal Cost Variation:* Processing and/or disposal costs are determined by the market rate (posted tipping fees and processing rates provided by the recycling facility). These costs will be adjusted annually based on posted rates provided by the facility. A contingency amount is included for any potential market pricing variations.
6. *Invoicing:* Contractor to provide monthly invoices detailing charges separated by type and facility.

Financial Impact

The total value of this contract over the recommended three-year term is estimated at \$383,672.74 as summarized in Table 2.

Table 2: Total 3-Year Term Contract

Contract Year	Super Save Group of Companies
2022/2023	\$98,327.20
2023/2024	\$102,260.29
2024/2025	\$106,350.70
Processing and Disposal Cost Variation	\$30,693.82
Contingency	\$46,040.73
Total (3 years)	\$383,672.74

The City has the option to extend the initial three-year contract for two additional one-year terms, for a total added value of \$282,042.06. The estimated costs associated with this extension are summarized in Table 3.

Table 3: Total 5-Year Term Contract

Contract Year	Super Save Group of Companies
2025/2026	\$110,604.73
2026/2027	\$115,028.92
Processing and Disposal Cost Variation	\$22,563.36
Contingency	\$33,845.05
Total (2 years)	\$282,042.06
Total (3 years)	\$383,672.74
Maximum 5-year term	\$665,714.80

The total amount for the maximum five-year term is \$665,714.80. The decision to extend the contract by an additional two years would be based on the company’s individual performance over the initial term. A contingency has been added to cover the costs of additional service requests, temporary bins for City events or the addition of bins not specified in this contract. Required funding amounts for the services under this contract are included in the operating budget for each City Facility.

Conclusion

This report presents the results of a competitive procurement under 8058P – Garbage and Cardboard Containers and Collection Services at City Facilities. It is recommended that the contract be awarded to Super Save for the initial three-year term, at the total amount of \$383,672.74, and that the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to extend the initial three-year term, up to a maximum total term of five years for the total amount of \$665,714.80, with anticipated commencement on November 1, 2022 based on the key terms as outlined.



Laurie Ackerman
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