



City of Richmond

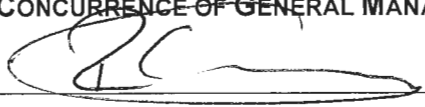

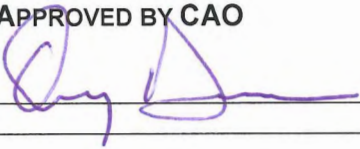
Report to Committee

To: Public Works and Transportation Committee **Date:** April 27, 2017
From: Tom Stewart, AScT.
Director, Public Works Operations **File:** 10-6370-04-01/2017-
Vol 01
Re: **Award of Contract 5757 EOI - Recycling Depot Container Collection and
Recycling Services**

Staff Recommendation

1. That Contract 5757 EOI, Recycling Depot Container Collection and Recycling Services, be awarded as follows:
 - a. Cascades Recovery Inc. – the container collection and recycling services for the following commodities at the unit rates quoted: newspaper, mixed paper and cardboard;
 - b. Super Save Group – the container collection and recycling services for the following commodities at the unit rates quoted: tin, scrap metal, aluminium, plastic and yard waste;
2. That staff be authorized to extend the contract in one-year increments up to five years in total, and if required, extend the contract beyond the five-year term on a month-by-month basis until such time as a new contract can be advertised and awarded.
3. That the Chief Administrative Officer and General Manager, Engineering and Public Works, be authorized to execute the above contracts.

Tom Stewart, AScT.
Director, Public Works Operations
(604-233-3301)

REPORT CONCURRENCE		
ROUTED TO: Finance Department	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER 
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

The City contracts for the provision of recycling containers at the City Recycling Depot, including container collection, transportation, and processing and marketing of various recycling materials. The previous contract expired on October 31, 2016 and has been extended on a month-to-month basis pending issuance and review of Expression of Interest (EOI) 5757. This report presents the results of 5757 EOI and recommends award of the contract.

This report supports Council's 2014-2018 Term Goal #4 Leadership in Sustainability:

Continue advancement of the City's sustainability framework and initiatives to improve the short and long term livability of our City, and that maintain Richmond's position as a leader in sustainable programs, practices and innovations.

4.1. Continued implementation of the sustainability framework.

This report supports Council's 2014-2018 Term Goal #6 Quality Infrastructure Networks:

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.

6.2. Infrastructure is reflective of and keeping pace with community need.

Analysis

5757 EOI 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 respondents. For this reason, the recommendation is to award the contract to Cascades Recovery Inc. and Super Save Group, both of which are existing providers for Recycling Depot services.

Project Description

The scope of work for 5757 EOI includes the following services:

- Container rental charges for bins at the Recycling Depot for various recycling materials including: Newspaper, Mixed Paper, Cardboard, Aluminium, Scrap Metal, Tin, Plastic and Yard Waste.
- Container collection and emptying charges.
- Processing fees associated with recycling material handling and preparation.
- Any proposed marketing revenue to the City associated with the sale of the recycling materials as commodities.

5757 EOI - Recycling Depot Container Collection and Recycling Services

Request for Expression of Interest 5757 EOI was prepared and issued to the marketplace on August 19, 2016 and closed on September 21, 2016. It is proposed to commence the contract on August 1, 2017. The contract is for a three year term, or until July 31, 2020. The contract provides for two additional one-year extensions (up to a maximum of 5 years) upon mutual agreement of the City and the contractor/s. It is further proposed that the award provide for the ability to extend the contract beyond the five-year term on a month-by-month basis until such time as a new contract can be advertised and awarded. Any mutually agreed adjustments will be applied at the beginning of the extension terms.

Public Tendering

Expressions of Interest were received from the following vendors on September 21, 2016 as follows:

- Smithrite Disposal Ltd.
- Super Save Group
- Progressive Waste Solutions
- Emterra Environmental
- Sierra Waste Services Ltd.
- Cascades Recovery Inc.

As this is a component-based contract, bidders did not necessarily bid on all aspects of the work, but rather only those portions of interest to them. As such, each bidder’s submission was reviewed for best value by individual recycling material. To achieve best value, it is recommended that the bids be awarded as follows:

- Cascades Recovery Inc. be awarded Newspaper, Mixed Paper and Cardboard
- Super Save Group be awarded Tin, Scrap Metal, Aluminium, Plastic and Yard Waste

This results in the following estimated annual amounts:

<u>Company</u>	<u>Rental/Freight</u>	<u>Processing/Marketing</u>	<u>Net Annual Overall</u>
Cascades Recovery	\$25,980	(\$52,440)	(\$26,460)
Super Save Group	\$158,088	(\$23,550)	\$134,538
Total	\$184,068	(\$75,990)	\$108,078

Under the contract, the City pays the cost items and the Contractor pays the City revenues for those recycling materials with commodity market value. This award results in a net positive revenue to the City for the items recommended for award to Cascades Recovery Inc. and a net annual cost for items recommended for award to Super Save Group. Council award of the contract is required to authorize the expenditure portions noted for the recommended contract term/duration.

The amounts noted will vary depending on the actual vs. estimated quantity of recycling materials received, therefore, the recommended award is based on the unit rates quoted by each bidder per material type.

Financial Impact

The total estimated value of the proposed contract award is \$184,068 for expenditure items, and \$75,990 in anticipated revenues, for an estimated net contract value of \$108,078 annually. The proposed contract can be accommodated within the current Sanitation and Recycling utility budget. Commodity revenues received are applied to offset the annual rates charged to residents.

Conclusion

The recommended award of this Request for Expressions of Interest is based on best value to the City for the various recycling material components of this contract. This results in awarding the work to two different contractors. The City has experience with both of the recommended contractors and their services have been satisfactory.

The contract term is from August 1, 2017 – July 31, 2020, with the ability to renew for an additional two, one-year terms upon mutual consent. The award also provides for extensions beyond the five-year term on a month-by-month basis until such time as a new contract can be advertised and awarded. It is further recommended that the Chief Administrative Officer and General Manager, Engineering and Public Works, be authorized to execute the above contracts.



Suzanne Bycraft
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