



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** August 18, 2011
From: Tom Stewart, ASCT.
Director, Public Works Operations **File:** 10-6370-04-01/2011-Vol
01
Re: **Award of Contract T.4311 –
Recycling Depot Container Collection and Recycling Services**

Staff Recommendation

That Contract T.4311, Recycling Depot Container Collection and Recycling Services, for the period November 1, 2011 – October 31, 2014, be awarded as follows:

1. BFI Canada Inc. – the container collection and recycling services for the following commodities at the unit rates quoted: Mixed Waste Paper, Scrap Metal and Yard Waste.
2. Super Save Disposal Inc. - the container collection and recycling services for the following commodities at the unit rates quoted: Magazines, Tin, Scrap Aluminium, and Glass.
3. Cascades Recovery Inc. - the container collection and recycling services for the following commodities at the unit rates quoted: Newspaper, Cardboard and Plastic.

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

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 October 31, 2011. A new tender, Contract T.4311, for the period November 1, 2011 – October 31, 2014, 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

Project Description

The scope of work for Contract T.4311 includes the following services:

- Container rental charges for bins at the Recycling Depot for various recycling commodities including: Newspaper, Mixed Paper, Cardboard, Magazines, Scrap Aluminum, Scrap Metal, Tin, Glass, Plastic and Yard Waste.
- Container collection and emptying charges for the above.
- Processing fees associated with recycling material handling and preparation for the above.
- Marketing revenue to the City associated with the sale of the recycling commodities.

A tender contract for the above noted work was prepared by staff and issued to the market on May 10, 2011. The contract work will commence on November 1, 2011 and is for a 3 year term, or until October 31, 2014. The contract provides for two additional one-year extensions (up to a maximum of 5 years) upon mutual agreement of the owner and the contractor.

Public Tendering

Tenders were received from the following vendors on June 2, 2011 as follows:

Company

BFI Canada Inc.
Cascades Recovery Inc.
Halton Recycling Ltd.
Super Save Disposal 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 commodity. To achieve best value, it is recommended that the bids be awarded as follows:

- BFI Canada Inc. be awarded Mixed Paper, Scrap Metal and Yardwaste
- Cascades Recovery Inc. be awarded Newspaper, Cardboard and Plastic
- Super Save Disposal Inc. be awarded Magazines, Tin, Scrap Aluminum, and Glass

This results in the following annual amounts:

<u>Company</u>	<u>Rental/Freight</u>	<u>Processing/Marketing</u>	<u>Net Overall</u>
BFI Canada Inc.	\$193,757.40	(\$196,644.00)	(\$2,886.60)
Cascades Recovery Inc.	\$ 25,470.00	(\$49,068.00)	(\$23,598.00)
Super Save Disposal Inc.	\$ 8,124.00	(\$20,196.00)	(\$3,037.44)

Under the contract, the City pays the cost items and the Contractor, in turn, pays the City revenues for those recycling commodities with market value. This award results in a net positive dollar value (or revenue) to the City. Council award of the contract is required to authorize the expenditure portions noted, since expenditures and revenues must be recorded separately for budget transparency. The amounts noted are exclusive of HST.

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 commodity type.

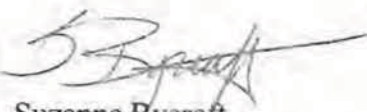
Financial Impact

Overall, the contracted services at the Recycling Depot represent a net annual estimated revenue of \$38,500, based on the tenders received. This represents a net gain of approximately \$28,000 over existing amounts. Annual revenues/costs will vary depending on the actual quantity of recycling materials received.

Funding for this contract is provided for in the Sanitation and Recycling utility 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 November 1, 2011 – October 31, 2014, with the ability to renew for an additional two, one-year terms upon mutual consent.



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