



STAFF REPORT ACTION REQUIRED

Collection of Containerized Waste, Recyclables, Organics and Bulky Items – RFQ 6033-07-3143

Date:	August 14, 2007
To:	Public Works and Infrastructure Committee
From:	General Manager, Solid Waste Management Services Division and Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	p:/2007/swms/sept/023PW (5184)

SUMMARY

This report requests authority to award Request for Quotation (RFQ) 6033-07-3143 for the Collection of Containerized Waste, Recyclables, Organics and Bulky Items from Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions to Miller Waste Systems, a Division of Miller Paving Limited, the lowest bidder meeting all specifications and requirements.

The period of the contract is for 8 years and 5 months with the areas of former North York and Scarborough to start on February 1, 2008 followed by the remaining areas of the City on July 1, 2008. This contract will end on June 30, 2016.

The new contract will include provisions for the phased-in collection of multi-unit residential organic material, collection of bulky items for delivery to re-use centres, expanded collection of recyclables, and recording and tracking the volume of waste by location, all in accordance with the goal to achieve 70% diversion by 2010.

RECOMMENDATIONS

The General Manager of Solid Waste Management Services and Director of Purchasing and Materials Management recommend that:

1. Authority be granted to enter into a contract for the Collection of Containerized Waste, Recyclables, Organics and Bulky Items (RFQ 6033-07-3143) from Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions for a period of 8 years and 5 months commencing February 1, 2008 and

ending on June 30, 2016 in accordance with specifications and requirements of the Solid Waste Management Services Division with the lowest bidder, Miller Waste Systems, a Division of Miller Paving Limited, in the total estimated amount of \$74,917,366.00, net of GST and annual Consumer Price Index (CPI) adjustment on the anniversary date of the contract.

Financial Impact

The total potential contract award is \$79,412,408.00 including GST – PST is not applicable. Funds in the amount of \$8,159,316.80 will be provided in the 2008 operating budget submission, Solid Waste Management Services Accounts SW0091, 0098, 0361, 0368, 0382, 0423, 0441, 0454, 0577, 0584, 0602, for the Collection of Containerized Waste, Recyclables, Organics and Bulky Items from Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions for the period February 1, 2008 to December 31, 2008. The cost estimate for 2008 is based on simplified calculations using annualized costs based on implementation of collection services across the City beginning on February 1, 2008. The exact time frames and actual costs will be dependent on rate of implementation of new and existing collection services and phasing of former areas of the City.

The accounts noted above will be revised to reflect service harmonization under one contract, the new multi-unit residential organics program and bulky items re-use/recycling program. Funds will be included in the subsequent years' operating budget submission for each required portion of the contract period. Funds for incidental, hourly or contingency work will be budgeted each year as required. Funds for the multi-unit residential organics program will be budgeted according to the rate of implementation between 2008-2010.

The total estimated funds required for the 8-year 5-month contract period, February 1, 2008 to June 30, 2016, is \$74,917,366.00, net of GST and annual CPI adjustment on the anniversary date of the contract.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Council at its meeting held on March 5, 6 and 7, 2007 adopted motions authorizing the General Manager, Solid Waste Management Services and the Chief Purchasing Officer to re-tender the following Multi-unit Residential Collection Contracts – Contract No. 254-2002 and Contract 95-2000 into a single City-wide contract. Refer to motions 2 and 3 of Item PW3.2 on pages 45 and 46 of the following decision document link at <http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-03-05-cc03-dd.pdf>.

ISSUE BACKGROUND

The current contracts for the Collection of Containerized Waste, Recyclables, Organics and Bulky Items from Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions expire on January 31, 2008 for the former North York and Scarborough areas and on June 30, 2008 for the former East York, Etobicoke, Toronto and York areas.

The combination of these collection services into a single, City-wide Request for Quotation has allowed respondents to optimize collection routing and maximize efficiency.

Matching the term of the contract to the expected life of collection vehicles helps reduce prices by maximizing the amortization period for the cost of the trucks.

These two items combined have lowered the overall costs of these services.

The award of the contract is time sensitive to allow appropriate lead time for the recommended contractor to acquire and prepare their collection vehicle fleet in time for the new contract start up in early 2008.

COMMENTS

An RFQ for the Collection of Containerized Waste, Recyclables, Organics and Bulky Items from Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions was issued on May 23, 2007 and closed on June 29, 2007. Thirty-five firms on the City's bidders' list were invited to submit bids and this RFQ was advertised on the City of Toronto's Internet website. Three bids were received as summarized below:

Summary of Bids - Request for Quotation 6033-07-3143			
	Miller Waste Systems	BFI Canada Inc.	Waste Management Inc.
Total Costs (Annual)	\$8,901,073.00	\$19,307,106.00	\$24,991,824.00
Total Costs (Full Contract Term)	\$74,917,366.00	\$162,501,476.00	\$210,347,849.00

The new contract will introduce two new waste diversion programs consistent with initiatives for the multi-unit residential sector as part of the waste diversion strategy "Getting to 70%". These programs are:

1. Multi-Unit Residential Organics Program
Staff will work with the Contractor to implement a Multi-unit Residential Organics Program at the commencement of the contract in 2008 with full implementation by approximately 2010. The Contractor will provide collection service primarily from roll-out carts, front-end containers or deep collection system that were part of the pilot studies for this program.

2. Bulky Items Re-use/Recycling

Specifications for large bulky items, such as old furniture, has changed to non-compacted “soft” collection using dedicated collection vehicles to facilitate delivery to future re-use centres. This new collection methodology will allow the materials to be collected and off-loaded intact to allow sorting for re-use or recycling. Collection of bulky items for re-use will commence immediately at the start of the contract in 2008.

The contract also contains provisions for the Contractor to develop and adapt its existing commercial collection software to the customer base serviced under this contract for electronic quantification of collection by location.

Miller Waste Systems, a Division of Miller Paving Limited, is the lowest bidder meeting all specifications and requirements and is being recommended for award.

The Fair Wage Office has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

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SIGNATURE

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