



STAFF REPORT ACTION REQUIRED

Etobicoke Residential Curbside Collection – Request for Quotation (RFQ) 6033-07-3232

Date:	September 19, 2007
To:	Public Works and Infrastructure Committee
From:	General Manager, Solid Waste Management Services Division and Director, Purchasing and Materials Management Division
Wards:	1, 2, 3, 4, 5, 6
Reference Number:	p:/2007/swms/oct/024PW.doc

SUMMARY

The purpose of this report is to advise on the results of the Request for Quotation (RFQ) 6033-07-3232 for the Collection of Curbside Waste, Recyclables, Organics, Bulky Items and Yard Waste from Single Family, Small Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions in the former Etobicoke area, all in accordance with the specifications in the RFQ, and to request authority to award a contract to the recommended bidder.

RECOMMENDATIONS

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

1. authority be granted to award a contract to Turtle Island Recycling Corporation being the lowest bidder for the Collection of Curbside Waste, Recyclables, Organics, Bulky Items and Yard Waste from Single Family, Small Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions in the former Etobicoke area for the period from July 1, 2008 to June 30, 2015 for a total amount of \$59,547,250.00, net of GST and annual consumer price index (CPI) adjustments with the option to renew for:
 - a. up to two (2) additional twelve (12) month extensions from July 1, 2015 to June 30, 2016 in the amount of \$8,506,750.00 net of GST and CPI adjustment and from July 1, 2016 to June 30, 2017 in the amount of

\$8,506,750.00 net of GST and CPI adjustment for a total of \$17,013,500.00 net of GST and CPI adjustment should both 12 month options be exercised; or

- b. one (1) additional twenty four (24) month extension from July 1, 2015 to June 30, 2017 in the amount of \$17,013,500.00 net of GST and CPI adjustment; and
2. the General Manager, Solid Waste Management Services be authorized to exercise the extension options as described in recommendation 1 and, if he exercises the extension options, he be authorized to instruct the Chief Purchasing Official to process the necessary contract renewal(s) for option (a) two (2) additional twelve (12) month extensions from July 1, 2015 to June 30, 2016 in the amount of \$8,506,750.00 net of GST and CPI adjustment and from July 1, 2016 to June 30, 2017 in the amount of \$8,506,750.00 net of GST and CPI adjustment for a total of \$17,013,500.00 net of GST and CPI adjustment should both 12 month options be exercised; or for option (b) one (1) additional twenty four (24) month extension from July 1, 2015 to June 30, 2017 in the amount of \$17,013,500.00 net of GST and CPI adjustment under the same terms and conditions.

Financial Impact

The total potential contract award is \$81,154,395.00 plus annual consumer price index (CPI) adjustments, including GST (PST is not applicable). The total potential cost to the City is \$76,560,750.00 plus CPI adjustments, net of GST. The estimated funds required for the period from July 1, 2008 to December 31, 2008 are \$4,253,375.00 net of GST. Funding will be included in the 2008 Operating Budget submission, Solid Waste Management Services Accounts SW0361 (Etobicoke Recycle), SW0368 (Etobicoke Garbage), and SW0375 (Etobicoke Organics/Yard Waste). The balance of funds required in the amount of \$72,307,375.00 net of GST and CPI adjustments from 2009 to 2017 will be included in the Program's 2009 to 2017 Operating Budget submissions in Solid Waste Management Services Accounts SW0361, SW0368 and SW0375 in the amount of \$8,506,750.00 plus CPI adjustment annually. Prices will be adjusted annually, on the anniversary of the start date, to reflect the change in the CPI for Toronto – all items.

	July 1, 2008 to June 30, 2015 Net of GST and CPI	Option Year 1 July 1, 2015 to June 30, 2016	Option Year 2 July 1, 2016 to June 30, 2017	Total Potential Contract Award Net of GST and CPI
Total Costs	\$59,547,250.00	\$8,506,750.00	\$8,506,750.00	\$76,560,750.00

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 former Etobicoke Residential Curbside Collection Contract No. 95-2001. Refer to motion 1 of Item PW3.2 on page 45 of the following decision document link at <http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-03-05-cc03-dd.pdf>.

The new contract will introduce three new waste diversion programs consistent with initiatives contained in the Solid Waste Management Services Division's waste diversion strategy "Getting to 70%". These programs are:

1. Cart Collection System

Staff will work with the Contractor to implement a cart collection system for waste, single stream recyclables and organics. Based on current estimates, the Contractor will be required to begin collecting waste and recyclables from roll-out lift carts following their delivery to residents at the commencement of the contract as of July 1, 2008.

2. Conversion of Townhouses to Door-to-Door Collection

The Contractor will be required to provide door-to-door roll-out cart collection services from townhouse complexes that have been determined to be feasible to convert from either centralized pile collection or front-end collection.

3. Bulky Items Re-use/Recycling

Specifications for collection of large bulky items, such as mattresses and 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 or recycling will commence immediately at the start of the contract on July 1, 2008.

ISSUE BACKGROUND

The current contract for the Collection of Curbside Waste, Recyclables, Organics, Bulky Items and Yard Waste from Single Family, Small Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions in the former Etobicoke area expires on June 30, 2008.

The new contract will include provisions for automated collection of curbside waste, single stream recyclables and organics from carts, and collection of bulky items for delivery to re-use centres.

The award of the contract is time sensitive to allow appropriate lead time for the recommended contractor to acquire and prepare for the new contract start-up on July 1, 2008.

COMMENTS

An RFQ for the Collection of Curbside Waste, Recyclables, Organics, Bulky Items and Yard Waste from Single Family, Small Multi-unit Residential Buildings, Townhouses, Agencies, Boards, Commissions and Divisions in the former Etobicoke area was issued on July 30, 2007 and closed on September 5, 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. Four bids were received as summarized below:

Summary of Bids - Request for Quotation 6033-07-3232				
	Turtle Island Recycling	National Waste Services	Halton Recycling	Miller Waste Systems
Total Costs (Annual)	\$8,506,750.00	\$8,831,200.00	\$9,432,850.00	\$10,721,690.00
Total Costs (7-Year Contract Term)	\$59,547,250.00	\$61,818,400.00	\$66,029,950.00	\$75,051,830.00

All dollar amounts shown above are net of GST and CPI adjustments.

A direct price comparison between the existing and the proposed contracts is not possible because of changes in the scope of work which include new cart collection methodology, changes to townhouse collection methodology and the inclusion of new materials (bulky items). The proposed pricing is within our cost estimates.

The bid submitted by Turtle Island Recycling Corporation being the lowest bid received has been reviewed by the General Manager of Solid Waste Management and the bid has been found to be in conformance with the Quotation requirements.

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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