



STAFF REPORT ACTION REQUIRED

Purchase Order Amendment – Sole Source Contract No. 47011505 Organics Collection Containers

Date:	June 12, 2008
To:	Public Works and Infrastructure Committee
From:	General Manager, Solid Waste Management Services Division Acting Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:/2008/swms/June/011PW

SUMMARY

This report requests authority to increase the contract value and to extend the validity period of Contract No. 47011505 for the supply and delivery of Organics Collection Containers and Latch Lock Kits from December 31, 2007 to an extended validity period to December 31, 2009 by a total estimated amount of \$917,460.00 net of GST from \$1,189,654.70 net of GST to \$2,107,114.70 net of GST.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services Division, and the Acting Director, Purchasing and Materials Management recommend that:

- (1) City Council grant authority to increase Contract No. 47011505 to Norseman Plastics Limited for the supply of Residential Curbside Green Bins, Kitchen Catchers and Latch Lock Kits by \$917,460.00 net of GST to \$2,107,114.70 net of GST and to extend the validity period to December 31, 2009.

Financial Impact

The amendment to the current SAP Contract No. 47011505 for the extended period to December 31, 2009, results in an increase of \$917,460.00 net of GST from \$1,189,654.70 net of GST to \$2,107,114.70 net of GST for the Supply and Delivery of Organics Collection Containers and Latch Lock Kits.

Product	Unit Price	Estimated Quantity	Cost	PST	Total
Residential Curbside Green Bin	\$13.90	52,000	\$722,800	\$57,824	\$780,624
Kitchen Catcher	\$3.69	30,000	\$110,700	\$8,856	\$119,556
Raccoon Latch Lock Kits	\$ 8.00	2,000	\$16,000	\$1,280	\$17,280
Total Financial Impact for 2008 and 2009 Operating Years Sub-total			\$849,500	\$67,960	\$917,460

The cost for 2008 of \$305,820 will be accommodated within the approved 2008 Operating Budget of Solid Waste Management Services. The estimated cost for 2009 will form part of the 2009 Operating Budget submission. The cost is to be shared among the four Solid Waste Management Services Division cost centre as follows, net of GST:

Cost Centre	Account Name	January 1, 2008 to December 31, 2008	January 1, 2009 to December 31, 2009	Total
SW0379	Central Yard – Recycle Collection	\$76,455	\$152,910	\$229,365
SW0451	Morningside Yard Recycle Collection	\$76,455	\$152,910	\$229,365
SW0008	Operational Support	\$91,746	\$183,492	\$275,238
SW0000	Backyard Compost/Environment Days	\$61,164	\$122,328	\$183,492
Total		\$305,820	\$611,640	\$917,460

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

DECISION HISTORY

City Council at its meeting of February 13, 14 and 15, 2002, granted approval to award a contract to Norseman Plastics Limited being the highest scoring proponent under Request for Proposal 0401-01-0282 for the Procurement and Distribution of Organic Collection Containers in July 2002 ending December 31, 2005. The City-wide implementation of the Green Bin Program was completed in 2005.

<http://www.toronto.ca/legdocs/2002/agendas/council/cc020213/wks3rpt/cl001.pdf>

Following the completion of the original distribution of the Organic Collection Containers in 2005, Solid Waste Management Services Division realized additional units were required. A Sole Source request was submitted and approved by Purchasing and Materials Managements Services Division requesting additional units in the total amount of \$499,400.00 excluding all taxes for the period from March 01, 2006 ending December 31, 2006, resulting in the issuance of Contract No. 47011505.

A further request was made by Solid Waste Management Services Division by the submission of a Staff Report submitted to the Public Works and Infrastructure Committee in January 31, 2007 to request an amendment and extension to the Sole Source Contract 47011505 for the supply and Delivery of Organics Collection Containers and Latch Lock Kits

<http://www.toronto.ca/legdocs/mmis/2007/pw/bgrd/backgroundfile-1465.pdf>

ISSUE BACKGROUND

Solid Waste Management Services Division (SWMS) submitted a Sole Source Request to Purchasing and Materials Management Division in accordance with the Toronto Municipal Code, Chapter 195, Section 9B and 10F and the Policy for Sole Source or Non-Competitive Procurement. The containers from Norseman Plastics Limited have a patent specific design element and as such could not be purchased through a competitive process, which resulted in a Contract No. 47011505 being issued for the period of March 1, 2006 to December 1, 2006 for 26,000 each of Residential Curbside Green Bins, 23,000 each Kitchen Catchers and 2,000 each Latch Lock Kits.

A further amendment to the Sole Source Contract No. 47011505 for Norseman Plastics Limited was requested and a Staff Report was submitted to the April 5, 2007 Public Works and Infrastructure Committee (PW4.1) as the cumulative value of the contract would exceed \$500,000.00. The Public Works and Infrastructure Committee granted authority to extend the validity period ending December 31, 2007 and to amend the contract value by \$606,730 to a revised total amount of \$1,189,654.70 net of GST all taxes and charges to enable Solid Waste Management Services Division to continue to secure adequate supply of Residential Curbside Green Bins, Kitchen Catchers and Latch Lock Kits.

COMMENTS

The Solid Waste Management Services Division (SWMS) is currently developing a non-restrictive specification to allow for competitive bids, and will be in consultation with Purchasing and Materials Management Division for the preparation of a call document for the second generation Organics Collection Container. The call for the second generation Organics Collection Containers is expected to be completed in 2008 with delivery commencing in 2009 or 2010.

In the interim, an ongoing supply of the existing Residential Curbside Green Bins, Kitchen Catchers and Latch Lock Kits are required for the Environment Day Events, replacement of lost or stolen units, and for new residents to obtain a container set (a Curbside Green Bin, a Kitchen Catchers, and a Latch Lock Kit), free of charge as well as provide a supply for replacement of broken units. The distribution of these units will be provided by Home Hardware locations and select Works Yards and Transfer Stations.

The approval of this amendment is required to sustain and bridge the current Green Bin Organics Collection Program requirements until the second generation Organics Collection Container call document is released and awarded. The Curbside Green Bin, Kitchen Catcher, and a Latch Lock Kit Bins provided by Norseman Plastics Limited is a patent specific design currently meeting the City of Toronto's specifications and has been in use since 2002. The cost for each container set is approximately 1% less than the last pricing provided for this contract.

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