

Amendment to Contract No. 47015202 – Recyc-Mattresses Inc.

Date:	December 14, 2011
To:	Public Works and Infrastructure Committee
From:	Acting General Manager, Solid Waste Management Services Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:2012/SWMS/January/002PW (AFS #14851)

SUMMARY

The purpose of this report is to seek approval to authorize the Acting General Manager, Solid Waste Management Services and the Director of Purchasing and Materials Management (PMMD) to amend Contract No. 47015202 by \$315,288.00 from \$1,118,928.00 for a revised contract value of \$1,434,216.00 with Recyc-Mattresses Inc. for the processing of mattresses and box springs to July 31, 2012 .

RECOMMENDATIONS

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

1. Public Works and Infrastructure Committee authorize the Acting General Manager, Solid Waste Management Services and the Director of Purchasing and Materials Management to amend Contract No. 47015202 from the current contract value of \$1,118,928.00 by \$315,288.00 to a revised contract value of \$1,434,216.00 net of all taxes and \$1,459,458.00 net of HST Recoveries, under the existing prices, terms and conditions and with no change to the existing contract end date for the processing of mattresses and box springs.

Financial Impact

The current Contract with Recyc-Mattresses Inc. for the processing of mattresses and box springs, for the one year period August 1, 2010 to July 31, 2011 had been previously extended,

as per the Request for Proposal, for an additional twelve (12) months to July 31, 2012 and has a current contract value of \$1,118,928.00 net of all taxes and \$1,138,621.13 net of HST Recoveries.

The Solid Waste Management Services approved 2012 Operating Budget (SW0781) includes \$781,320.00 to process 1,982 tonnes of mattresses. Should the existing Contract be amended by \$315,288.00 net of all taxes, \$320,837.07 net of HST Recoveries, an additional 800 tonnes can be processed in the current contract ending July 31, 2012. This equates to an estimated 1,160 tonnes to be processed between January 1, 2012 and July 31, 2012 at \$394.11 per tonne resulting in an expenditure of approximately \$457,170.00 net of all taxes and \$465,216.00 net of HST Recoveries to July 31, 2012.

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

DECISION HISTORY

On June 19, 20 and 22, 2007, City Council adopted with amendments the Executive Committee Report (EX9.1) entitled "Proposed Initiatives and Financing Model to Get to 70% Solid Waste Diversion by 2010". In doing so, City Council directed that the solid waste initiatives and programs described in Appendix A of this report, form the basis of the City's 10 year solid waste diversion plan whereby Appendix A includes the disassembly and recycling of non-reusable goods such as worn-out mattresses. The City Council Decision Document (Item EX9.1) can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-06-19-cc10-dd.pdf>

At its meeting on July 7, 2010, the Bid Committee provided the approval required for the issuance of a contract as a result of the Request for Proposal 9150-10-3091 for processing services to recycle up to 800 tonnes of mattresses for one year with an option to renew for one (1) additional twelve (12) month period. Accordingly, Contract No. 47015202 was awarded to Recyc-Mattresses Inc. for the period August 1, 2010 to July 31, 2011 with the option to renew the contract for one (1) additional twelve (12) month period at the sole discretion of the City. The Committee Decision Document of the Bid Committee Minutes adopting Item #7 can be viewed at:

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getMinutesReport&meetingId=3711>

ISSUE BACKGROUND

The City's Target 70% diversion initiative includes the collection and recycling of durable goods, including mattresses and box springs. Residents are instructed to encapsulate mattresses and box springs infested with bed bugs prior to collection. Staff or the City's collection contractor will leave any non encapsulated mattress or box spring they suspect is infested with bed bugs. The resident will be advised of the correct set out for collection.

The current contract value allows for the processing of up to approximately 1,200 tonnes of mattresses during the period August 1, 2011 to July 31, 2012. However, due to the ongoing program success, it is expected that up to 2,000 tonnes of mattresses will be processed during this option year period. Public Works and Infrastructure Committee approval is required to amend the existing contract to allow for the additional tonnes of material to be collected and funded.

COMMENTS

Request for Proposal 9150-10-3091 was issued on April 28, 2010 for the processing of up to 800 tonnes of mattresses and box springs for the one year period August 1, 2010 to July 31, 2011 with an option to extend for an additional 12 months at the discretion of the General Manager. Four (4) firms submitted proposals. Recyc-Mattresses was awarded the contract based on their bid being the highest ranking proposal from a technical and pricing perspective.

The 800 tonnes threshold was based on tonnage data collected during the City's mattress recycling pilot project throughout 2008 and 2009. Since the contract with Recyc-Mattresses started, the success of the mattress recycling program has resulted in an unexpected increase in tonnages collected, exceeding the 800 tonnes threshold in the contract. Subsequently, Contract No. 47015202 was amended in the amount of \$500,000.00 from \$306,400.00 to a revised total of \$806,400.00, in accordance with Toronto Municipal Code Chapter 71, to accommodate an additional 1,120 tonnes, increasing the threshold from 800 to 1,920 tonnes throughout the initial contract term.

In 2011 the option year renewal was processed in accordance with Request for Proposal 9150-10-3091 for the period from August 1, 2011 to July 31, 2012 to process 1,200 tonnes, with a current contract value, for the two-year period from August 1, 2010 to July 31, 2012, of \$1,118,928.00 net of all taxes and \$1,138,621.00 net of HST Recoveries.

However, due to the ongoing program success, it is expected that up to 2,000 tonnes of mattresses will be processed in the option year period. In order to process the additional 800 tonnes expected in the option year period of August 1, 2011 to July 31, 2012, a further amendment to the contract is required. In accordance with Toronto Municipal Code Chapter 71, any amendment that exceeds the original contract amount by \$500,000.00 requires approval by Standing Committee.

Accordingly, we request authority to amend the existing contract with Recyc-Mattresses from the current contract value of \$1,118,928.00 by \$315,288.00 for a new target value of \$1,434,216.00 net of all taxes and \$1,459,458.00 net of HST Recoveries, with no change to the contract end date.

The current contract with Recyc-Mattresses for this service expires July 31, 2012. A competitive call will be issued in Spring 2012 to process up to 2,000 tonnes annually of mattresses and box springs beginning August 1, 2012.

CONTACT

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SIGNATURE

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