



**STAFF REPORT
ACTION REQUIRED**

**Award of Request for Quotation No. 6033-14-3092 for
Solid Waste Curbside Collection Contract in Etobicoke
Area (District 1)**

Date:	June 10, 2014
To:	Public Works and Infrastructure Committee
From:	Acting General Manager, Solid Waste Management Services Acting Director, Purchasing and Materials Management Division
Wards:	1,2,3,4,5,6
Reference Number:	P:\2014\ClusterB\SWM\June\013PW (AFS#18569)

SUMMARY

The purpose of this report is to advise on the results of the Request for Quotation (RFQ) 6033-14-3092 for the collection, transportation and off-loading of materials from curbside collected locations in the area bounded by the Humber River to the east, Highway 427, Eglinton Avenue West and Etobicoke Creek to the west, Steeles Avenue to the north and Lake Ontario to the south, for a six (6) year period with the option to extend the contract for two (2) additional separate one (1) year periods. This report also requests the authority to enter into a legal agreement with Miller Waste Systems Inc. being the lowest bidder meeting specifications.

RECOMMENDATIONS

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

1. City Council in accordance with Section 195-15 of Toronto Municipal Code Chapter 195 (Purchasing By-law), authorize the Acting General Manager, Solid Waste Management Services to award and enter into an agreement with Miller Waste Systems Inc., being the lowest bidder meeting specifications for RFQ 6033-14-3092 for curbside collection, transportation and off-loading of materials in the Etobicoke area for a period of six (6) years commencing on July 1, 2015 to June 30, 2021 with an option to extend the initial contract for two (2) additional

separate one (1) year periods, for a grand total contract value of \$88,606,843.87 including estimated annual adjustments for consumer price index (CPI) net of HST recoveries.

Financial Impact

The total estimated contract award value including optional years is \$98,393,999.19 inclusive of all applicable taxes and estimated annual CPI adjustments. The total potential cost to the City is \$ 88,606,843.87 including adjustments for CPI and net of HST recoveries. The estimated funding for the period of July 1, 2015 to December 31, 2015 is approximately \$5,110,676.03 and the funding required for 2015 will be included in the 2015 Recommended Operating Budget for Solid Waste Management Services in cost centre SW1010. Funding details are provided in Table 1.

Table 1: Recommended Collection Contract – Etobicoke Area – net of HST Recoveries (\$’s)

	July 1, 2015 to December 31, 2015	January 1, 2016 to June 30, 2021	Option Year 1, extend to June 30, 2022	Option Year 2, extend to June 30, 2023	Total potential contract value
Contract Total	\$5,110,676.03	\$60,011,624.43	\$11,626,011.59	\$11,858,531.82	\$88,606,843.87

Comparatively, on an annual basis, the new contract (excluding contingencies) represents an incremental increase of \$0.940 million or 11.4% over the 2014 approved budget of \$8.264 million for contracted collection in District 1. A contingency of \$1.0 million per year excluding all taxes has been added to the budget for emergencies or other unplanned/unforeseen work that may be required in each of the years in the contract term. Should such engagement be necessary, the Acting General Manager of Solid Waste Management Services will consult with the contractor outlining details of said work and all agreed upon details will be documented and approved by the Acting General Manager prior to commencing the work.

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

DECISION HISTORY

At its meeting of October 22 and 23, 2007, City Council adopted a motion to award the Etobicoke Residential Curbside Collection - Request for Quotation 6033-07-3232 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.

The City Council Decision Document (Item PW9.4 – Etobicoke Residential Curbside Collection - Request for Quotation 6033-07-3232) can be viewed (page 53):

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-10-22-cc13-dd.pdf>

ISSUE BACKGROUND

The Etobicoke area (District 1) includes approximately 65,400 households. Currently, daytime curbside collection locations (residential and non-residential) in the Etobicoke area receive contracted collection services for curbside collection of garbage, recycling, organic materials, bulky items and yard waste.

The current contract was initially awarded to Turtle Island Recycling Corporation with the contract starting on July 1, 2008, with the initial contract term ending on June 30, 2015, with an option to extend the contract for two (2) additional separate one (1) year periods. In December 2011, Green for Life Environmental East Corporation merged operations with Turtle Island Recycling Corporation, assuming all of Turtle Island's assets, obligations and contracts. Since December 2011, Green For Life Environmental Corporation has been the current curbside collection services provider in the Etobicoke area (District 1).

Solid Waste Management Services decided not to exercise the final option year period with the existing provider Green for Life Environmental East Corporation and opted to issue a new call for Etobicoke (District 1). A RFQ 6033-14-3004 was prepared and issued for the provision of Collection, Transportation and Off-Loading Services from Curbside Collection in the area bounded by Humber River, Highway 427, Eglinton Avenue West and Etobicoke Creek, Steeles Avenue and Lake Ontario, with a closing date of March 7, 2014. The call was subsequently cancelled in accordance with the Toronto Municipal Code, Purchasing Chapter 195-B (1) due to the change in the scope of work or specifications.

A revised RFQ 6033-14-3092 was developed to incorporate revised specifications while replicating the existing curbside collection services currently being provided by the contractor in the Etobicoke area. The revised specifications included changes to the CVOR requirements, length of contract, and bidder's experience. There are no changes in the material collections, service frequency or pickup schedule in the RFQ.

Procurement Process

The RFQ 6033-14-3092 for the collection, transportation and off-loading of materials from curbside collected locations in the area bounded by the Humber River to the east, Highway 427, Eglinton Avenue West, and Etobicoke Creek to the west, Steeles Avenue to the north, and Lake Ontario to the south, was issued by Purchasing and Materials Management Division on May 15, 2014, and made available for download from the City's internet website. The closing date for submissions was June 5, 2014.

As part of the RFQ, interested bidders were offered an opportunity to attend a pre-bid site meeting which was held at Ingram Yard on May 21, 2014 to provide bidders with an opportunity to ask questions in regards to the specifications set out in the RFQ and the procurement process. Representatives from Purchasing & Materials Management Division and the Fairness Monitor were in attendance. Four (4) firms attended the pre-bid site meeting. Following the meeting, a list of questions received and responses were formally published through an Addendum. A total of three (3) addenda were issued.

Nine (9) Firms either downloaded the document from the Purchasing & Materials Management Division website or purchased a hard copy of the RFP document. A total of five (5) responses were received prior to the closing deadline and the bids were opened at the Public Opening held on June 5, 2014, which are summarized in Table 2 below:

Table 2: Summary of Bids Received for RFQ 6033-14-3092

Bidder	Total Estimated Price per Year
Modern Landfill Inc.	\$8,091,226.84
Miller Waste Systems Inc.	\$9,044,567.67
Halton Recycling Ltd. dba Emterra Environmental	\$9,397,012.20
BFI Canada Inc.	\$10,565,731.25
Waste Management Canada Corp.	\$10,971,314.83

The bid response received from Modern Landfill Inc. was deemed non-compliant and was not considered for award.

The award of the contract is time sensitive to allow appropriate lead time for the recommended contractor to acquire vehicles and prepare for the start-up on July 1, 2015.

COMMENTS

Contract Award

Miller Waste Systems Inc. is the lowest bidder, meeting the requirements as set out in RFQ 6033-14-3092, which included having a minimum of three (3) years experience in providing residential curbside collection to 50,000 households in the past seven (7) years, provide a list of key personnel that have a minimum three (3) years of experience supervising a residential curbside collection program and a Commercial Vehicle Operator Rating (CVOR) of “Satisfactory” at the time of bid submission.

Contract Start Date

The contract with Miller Waste systems Inc. will commence on July 1, 2015 to coincide with the end of the current contract with Green For Life Environmental Corporation, which terminates on June 30, 2015. The contract with Miller Waste Systems Inc. will end June 30, 2021 unless the option(s) to extend the contract for two (2) additional

separate one (1) year periods are exercised. If both option years are exercised, the contract will end on June 30, 2023.

Fairness Monitor

The firm JD Campbell and Associates was retained through a competitive bidding process to act as a Fairness Monitor for this RFQ to provide independent oversight to ensure transparency and fairness throughout the procurement process. The Fairness Monitor concluded that the preparation of the RFQ and the procurement process was conducted in a manner that was fair, open, transparent and consistent with Purchasing procurement policies. The Fairness Monitor's Attestation Report is provided as Attachment 1.

Service Impacts

A private sector contractor currently provides collection services to curbside locations including single family homes, multi-residential locations, commercial locations, non-residential locations (charities, institutions, religious organizations) and Agencies and Corporations in the Etobicoke area. It is anticipated that these curbside locations will not detect any change in service levels or standards when the contract with Miller Waste Systems commences on July 1, 2015.

The Manager of the Fair Wage Office has approved the recommended bidder, Miller Waste Systems, and has indicated that the bidder has reviewed and understands the Fair Wage Policy and has agreed to comply fully with it.

CONTACT

Robert Orpin, Director, Collections and Litter Operations, Solid Waste Management Services, Telephone: 416-392-8286 Fax: 416-392-4754, E-mail: rorpin@toronto.ca

Elena Caruso, Manager, Good and Services, Corporate Purchasing, Purchasing & Materials Management Division, Telephone: 416-392-7316, Fax: 416-392-8411, E-mail: ecaruso@toronto.ca

SIGNATURE

Vincent Sferrazza
Acting General Manager
Solid Waste Management Service

Victor Tryl, P.Eng.
Acting Director
Purchasing & Materials Management Division