



**STAFF REPORT  
ACTION REQUIRED**

**Award of Request for Quotation No. 6035-15-3000 to Green for Life Environmental Inc. for Containerized Collection of Waste Materials**

<b>Date:</b>	March 20, 2015
<b>To:</b>	Public Works and Infrastructure Committee
<b>From:</b>	General Manager, Solid Waste Management Services Division Director of Purchasing and Materials Management Division
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2015\Cluster B\SWM\April\003PW (AFS#20656)

**SUMMARY**

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The purpose of this report is to advise on the results of the Request for Quotation (RFQ) 6035-15-3000 for the collection, transportation and off-loading services of containerized garbage, recyclable materials, organic materials, bulky items and durable goods from multi-residential units, non-residential locations, agencies, corporations, schools and related facilities in the City of Toronto for a ten (10) year period beginning on July 1, 2016. The current containerized collection contract expires on June 30, 2016.

This report also requests the authority to enter into a legal agreement with Green for Life Environmental Inc., being the lowest bidder meeting specifications.

**RECOMMENDATIONS**

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

1. City Council authorize the General Manager, Solid Waste Management Services to award and enter into an agreement with Green for Life Environmental Inc., being the lowest bidder meeting specifications outlined in RFQ 6035-15-3000 for containerized collection, transportation and off-loading of materials in the City of Toronto for a period of ten (10) years commencing on July 1, 2016 to June 26,

2026, for a grand total contract value of \$161,989,228.36 including estimated annual adjustments for Consumer Price Index (CPI) net of HST recoveries.

**Financial Impact**

The total estimated contract award value is \$179,881,906.50 inclusive of all applicable taxes and estimated annual CPI adjustments of 2%. The total potential cost to the City is \$161,989,228.36 including adjustments for CPI and net of HST recoveries. The estimated funding for the period of July 1, 2016 to December 31, 2016 is approximately \$7,396,956.89 and the funding required for 2016 will be included in the 2016 Recommended Operating Budget for Solid Waste Management Services in cost centre SW0904. Funding details are provided in Table 1.

**Table 1: Recommended Containerized Collection Contract – City of Toronto - net of HST Recoveries (\$'s)**

	<b>July 1, 2016 to December 31, 2016</b>	<b>January 1, 2017 to June 26, 2026</b>
<b>Contract Total</b>	\$7,396,956.89	\$154,592,271.47

The recommended new contract will require an additional \$2,379,274 gross in 2016 for the period July 1 to December 31, compared to the 2015 Approved Budget. The incremental increase in 2017, including CPI adjustment is \$2,527,213 for a total annualized increase is \$4,906,487 gross. Funding for the increased costs will be requested during the 2016 and future Budget processes and will generate a net zero expenditure impact.

The increase in pricing for this contract is due primarily to the following:

- The current contract pricing, which was awarded in 2007, was significantly below the second lowest bidder at the time (less than 50%) and the City has benefited from this price structure for the last seven (7) years.
- The new contract contains significant improvements to the electronic capture of bin lift information and data capture. This data is used to invoice/bill the City's customers for their waste collection services disposal.
- Changing the life expectancy of the collection vehicles – the new contract calls for vehicles no older than five (5) years at any time.

- 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.

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

## **DECISION HISTORY**

The existing contract was awarded by City Council at its September 26 and 27, 2007 meeting, where it adopted a motion to award the Collection of Containerized Waste, Recyclables, Organics and Bulk Items - Request for Quotation 6033-07-3134 contract to Miller Waste Systems Inc., being the lowest bidder meeting the specifications outlined in the RFQ for the period of eight years and five months commencing February 1, 2008 to June 30, 2016.

The City Council Decision Document (Item PW8.2 – Collection of Containerized Waste, Recyclables, Organics and Bulky Items - Request for Quotation 6033-07-3143) can be viewed on page 47 at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-09-26-cc12-dd.pdf>

## **ISSUE BACKGROUND**

This contract provides services to the entire City which includes approximately 3,500 locations that are serviced by the current contractor. Locations that receive containerized waste and recycling collection services include multi-residential units (apartments, condominiums and townhouses), non-residential locations, agencies, corporations, schools, and related City of Toronto facilities.

### Procurement Process

RFQ 6035-15-3000 for the collection, transportation and off-loading services of containerized garbage, recyclable materials, organic materials, bulky items and durable goods from multiple household residences and townhouses, non-residential locations, and agencies, corporations, schools and related City of Toronto facilities was issued by Purchasing and Materials Management Division on December 5, 2014 and made available for download from the City of Toronto's website. The closing date for submissions was initially set for January 23, 2015, however, was extended through Addendum Number six to January 29, 2015.

The length of this contract is for 10 years with the provision that no collection vehicle will be over 5 years old at any point during the contract. This gives the contractors the ability to amortize their vehicles over the length of the contract and ensure that equipment operating in the City is in good mechanical and physical condition.

As part of the RFQ, interested bidders were offered an opportunity to attend a pre-bid site meeting, which was held at City Hall on January 13, 2015, to provide bidders with an opportunity to ask questions in regards to the RFQ specifications and the procurement process. Representatives from Purchasing and Materials Management Division (PMMD) were in attendance. Eight (8) 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 six (6) addenda were issued answering a total of 83 questions received from potential bidders.

Fourteen (14) firms either downloaded the document from the PMMD website or purchased a hard copy of the RFQ document. A total of four (4) responses were received prior to the closing deadline and the bids were opened at the Public Opening held on January 29, 2015. The four (4) bids are summarized in Table 2 below:

**Table 2: Summary of Bids Received for RFQ 6035-15-3000**

<b>Bidder</b>	<b>Total Price for Year 1 (excluding HST)</b>
Green for Life Environmental Inc.	\$13,538,044.20
BFI Canada Inc.	\$14,652,528.65
Rexdale Disposal Inc.	\$15,207,335.50
Miller Waste Systems Inc.	\$15,999,959.29

The prices listed above exclude the annual contingency of \$1.0 million per year budget for emergencies or other unplanned/unforeseen work that may be required in each of the years in the contract term.

## **COMMENTS**

### Contract Award

Green for Life Environmental Inc. is the lowest bidder meeting the requirements as set out in RFQ 6035-15-3000, specifically having a minimum of three (3) years of experience in providing containerized collection from multi-residential locations and/or commercial collection, with 20 collection vehicles within a single community of primarily urban and suburban sections in the past ten years. Other requirements include having key personnel that have a minimum of three (3) years of experience supervising a containerized multi-residential collection operation and/or containerized commercial collection operation and a Commercial Vehicle Operator Rating (CVOR) of at least “Satisfactory” or an overall safety violation rate of 70% or lower at the time of bid submission.

### Contract Start Date

The new contract with Green for Life Environmental Inc. will begin July 1, 2016 and expire on June 26, 2026.

## Service Impacts

Miller Waste Systems Inc. currently provides containerized collection of garbage, recyclable materials, organic materials, bulky items and durable goods to multi-residential locations, non-residential locations, agencies, corporations, schools and related facilities in the collection area. These locations will not detect any change in service levels or standards when the contract with Green for Life Environmental Inc. commences on July 1, 2016.

The Manager of the Fair Wage Office has approved the recommended bidder, Green for Life Environmental Inc., and has indicated that the bidder has reviewed and understands the Fair Wage Policy and has agreed to comply fully with it.

## **CONTACT**

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## **SIGNATURE**

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General Manager  
Solid Waste Management Services

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