



BID AWARD PANEL CONTRACT AWARD

Award of Ariba Doc No. 2467530267 to Miller Waste Systems Inc. and Walker Environmental Group Inc. for Processing Services of Yard Waste for Solid Waste Management Services Division

Date: December 3, 2020
To: Bid Award Panel
From: Chief Procurement Officer
Wards: All

RECOMMENDATIONS

The Chief Procurement Officer recommends that the Bid Award Panel grant authority to award the following contract:

Solicitation Number:

Request for Quotations (RFQ) No. Doc2467530267.

Description:

For the non-exclusive provision of Processing Services for up to 30,000 tonnes annually of Yard Waste (YW) with or without Haulage Services; from one (1) or more Suppliers to ensure Processing redundancy and manage seasonal YW generation, for a term of three (3) years from the date of award, with an option to extend the contract for one (1) additional two (2) year period, in accordance with the provisions and specifications contained in the Request for Quotation.

Should the option(s) be exercised, the General Manager of Solid Waste Management Services will request the Chief Procurement Officer to process the renewal under the same terms and conditions.

This RFQ permits two (2) contracts to be awarded in multiple ways in combination with the lowest bid price received for each tonnage option. Contract A for 10,000 tonnes and Contract B for 20,000 tonnes, both with City of Toronto providing haulage (Suppliers facility located less than 161 km) represent the best value to the City when compared to the options in which the Supplier provides haulage (Contract C and D). For fair evaluation purposes, a value of \$3.48/km tonne was used to calculate the self-service cost to the City for providing haulage services from Toronto to the Suppliers facility. This procurement also included provisional optional pricing for an additional 5,000 tonnes processing capacity per year and bagging of compost – inclusive of transport & compost

material per contract year. These optional services have been assumed fully exercised into the contract award value indicated below. The cost calculations below also reflect an estimated 3% increase in the Consumer Price Index commencing from year 2 of the contract, in accordance with the RFQ.

Recommended Suppliers:

- 1. Contract A – 10,000 Tonne Capacity: Miller Waste Systems Inc.**
- 2. Contract B – 20,000 Tonne Capacity: Walker Environmental Group Inc.**

Contract Award Value:

1. Miller Waste Systems Inc. -- Contract A From December 1, 2020 to November 30, 2023

\$2,410,902 net of all applicable taxes and charges (incl. \$803,634 for 3 years
provisional pricing for optional tonnage and bagged compost)
\$2,724,319 including HST and all applicable charges
\$2,453,334 net of HST recoveries

Option Period: December 1, 2023 to November 30, 2025

\$1,730,224 net of all applicable taxes and charges (incl. \$576,741 for 2 years
provisional pricing for optional tonnage and bagged compost)
\$1,955,153 including HST and all applicable charges
\$1,760,676 net of HST recoveries

The total potential cost for Contract A including the optional period and optional services is \$4,214,010 net of HST recoveries, \$4,141,126 net of all taxes and charges and, \$4,679,472 including HST and applicable charges.

2. Walker Environmental Group Inc. – Contract B From December 1, 2020 to November 30, 2023

\$3,405,386 net of all applicable taxes and charges (incl. \$1,056,302 for 3 years
provisional pricing for optional tonnage and bagged compost)
\$3,848,087 including HST and all applicable charges
\$3,465,321 net of HST recoveries

Option Period: December 1, 2023 to November 30, 2025

\$2,422,852 net of all applicable taxes and charges (incl. \$736,993 for 2 years
provisional pricing for optional tonnage and bagged compost)
\$2,737,823 including HST and all applicable charges
\$2,465,494 net of HST recoveries

The total potential cost for Contract B including the optional period and optional services is \$5,930,815 net of HST recoveries, \$5,828,238 net of all taxes and charges and, \$6,585,909 including HST and applicable charges.

Contracts are expected to start on December 1, 2020, and end on November 30, 2023, with the option to renew the Contracts for one (1) additional two (2) year period.

The total potential award for two (2) contracts identified in this report including all option years is \$9,969,364 net of all applicable taxes and charges, \$11,265,382 including HST and applicable charges. **The total potential cost to the City is \$10,144,825 net of HST recoveries.**

FINANCIAL IMPACT

The total potential contract award identified in this report including the additional option period and optional pricing is \$9,969,364 net of all applicable taxes and charges, \$11,265,382 including HST and applicable charges. The total potential cost to the City is \$10,144,825 net of HST recoveries.

Funding is available in the 2020 Approved Operating Budget for Solid Waste Management Services Division. Additional funding will be included in the 2021-2023 Operating Budget Submissions. Should the option period be exercised, then additional funding will be requested in the 2023-2025 Operating Budget Submissions.

Table 1: Financial Impact Summary of Recommended Contract (net of HST recoveries)

(Note: Date of Award estimated to start Dec. 1, 2020)

Period	Cost Centre SW0477 G/L Account 4440				Total Award Net of HST Recoveries
	Contract A Processing	Contract A Optional Services	Contract B Processing	Contract B Optional Services	
Initial Period					
Dec 1, 2020 - Dec. 31, 2020	\$44,096	\$22,048	\$64,448	\$28,174	\$158,766
Jan 1, 2021 - Dec 31, 2021	\$530,475	\$265,237	\$775,309	\$338,935	\$1,909,957
Jan 1, 2022 - Dec. 31, 2022	\$546,389	\$273,195	\$798,569	\$349,104	\$1,967,256
Jan 1, 2023 - Nov. 30, 2023	\$514,596	\$257,298	\$752,102	\$358,680	\$1,882,676
Initial Contract Term	\$1,635,556	\$817,778	\$2,390,428	\$1,074,893	\$5,918,655

Option Period 1					
Dec. 1, 2023 - Nov. 30, 2024	\$578,219	\$289,109	\$845,089	\$369,440	\$2,081,857
Dec. 1, 2024 - Nov. 30, 2025	\$595,565	\$297,783	\$870,442	\$ 380,524	\$2,144,313
Option Contract Term	\$1,173,784	\$586,892	\$1,715,530	\$749,964	\$4,226,170
Total Potential Award	\$2,809,340	\$1,404,670	\$4,105,958	\$1,824,857	\$10,144,825

SOLICITATION SUMMARY

Solicitation Issued: August 10, 2020

Solicitation Closed: September 14, 2020

Number of Addenda Issued: Three (3)

Number of Bids: Four (4)

Table 2: Summary of Bids Received for Request for Quotation (RFQ) No. Doc. 2467530267.

Contract A – 10,000 Tonnes without Haulage

Supplier Name	Bid Price (including H.S.T.)
Miller Waste Systems Inc. (Contract A)	\$1,762,800
Walker Environmental Group Inc.	\$1,288,200
RIC (Harmony) Inc.*	\$1,593,300*

*Submission did not pass Mandatory Submission and Qualification Requirements

Contract B – 20,000 Tonnes without Haulage

Supplier Name	Bid Price (including H.S.T.)
Walker Environmental Group Inc.	\$2,576,400
RIC (Harmony) Inc.*	\$3,186,600

*Submission did not pass Mandatory Submission and Qualification Requirements

Contract C – 10,000 Tonnes with Haulage

Supplier Name	Bid Price (including H.S.T.)
TRY Recycling	\$2,031,288

Contract D – 20,000 Tonnes with Haulage

Supplier Name	Bid Price (including H.S.T.)
TRY Recycling	\$4,062,576

** Bid prices for initial term of contract (3 Years). The "Contract Award Values" shown on page 2 and 3 include optional services commencing in year 1 and a 3% CPI adjustment commencing in year 2 of the contract, in accordance with the RFQ. Conversely, the "Summary of Bids" above includes H.S.T only.

DIVISION CONTACTS

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Sabrina Dipietro, Acting Manager, Goods and Services, Purchasing and Materials Management, Telephone: 416-397-4809, Email: Sabrina.Dipietro@toronto.ca

COMMENTS

For the recommended contract award, the following requirements have been met:

a. The firms recommended for award is the lowest Supplier meeting specifications or to the highest scoring Supplier based on the evaluation criteria included in the Solicitation and meeting the requirements of the solicitation;

b. the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;

c. the total contract value is less than \$20 million dollars (excluding applicable taxes) and the contract term is:

1. for a contract funded by the operating budget, 5 years or less including any option years; or

2. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,

being within the authority of the Bid Award Panel;

d. there are no material written objections to the award;

e. the Solicitation document was advertised on the City's internet website and bids or proposals were opened publicly; and

f. the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above Solicitations are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Michael Pacholok
Chief Procurement Officer