

Request for Decision City Council



Type of Decision

| | | | | | | | | | |
|--------------------|-------------------------------------|-----|--------------------------|----|-----------------|-------------------------------------|------|--------------------------|--------|
| Meeting Date | November 10, 2005 | | | | Report Date | November 2, 2005 | | | |
| Decision Requested | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No | Priority | <input checked="" type="checkbox"/> | High | <input type="checkbox"/> | Low |
| | Direction Only | | | | Type of Meeting | <input checked="" type="checkbox"/> | Open | <input type="checkbox"/> | Closed |

Report Title

Tender Award - Contract 2005-50, Solid Waste Processing Services

Policy Implication + Budget Impact

☒ This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

The processing expenses are budgeted annually in the current budget.

This certifies that this future commitment is within the Annual Repayment Limit for the City of Greater Sudbury as re-calculated

L. Hayes,

☒ Background Attached

Recommendation

That Contract 2005-50, Solid Waste Processing Services, be awarded to Canada Fibers Ltd., in the amount of \$2,463,356.14, annually for ten years, as determined by the unit prices and quantities involved, this being the lowest compliant tender meeting all the requirements of the plans and specifications; and

That the one-stream recycling processing service level be approved, as presented and adopted in principle by Council in February 2005; and that

Staff be authorized to access the Recycling Equipment Replacement Reserve fund, as detailed in the General Manager of Infrastructure and Emergency Services report, dated November 2, 2005.

Recommendation Continued

Recommended by the Department Head

Alan Stephen
General Manager of Infrastructure & Emergency Services

Recommended by the C.A.O.

Mark Meto
Chief Administrative Officer

Date: November 2, 2005

Report Prepared By

Chantal Mathieu
Director of Solid Waste

Division Review



Chantal Mathieu
Director of Solid Waste

Background:

Tenders for Contract 2005-50, Solid Waste Processing Services were opened at the Tender Opening Committee on Tuesday, November 1, 2005, and the following bidders submitted tenders:

| BIDDER | At Opening | Corrected Amount |
|--|-----------------|------------------|
| Halton Recycling Ltd. | \$2,395,218.54 | \$2,395,218.54 |
| Canada Fibers Ltd. | \$2,463,356.14 | \$2,463,356.14 |
| 1188163 Ontario Ltd. | \$4,457,191.88 | \$4,457,191.88 |
| Waste Management of Canada Corporation | \$9,344,169.49 | \$9,344,169.49 |
| | | |
| Estimate | \$ 2,258,000.00 | |

The tenders were reviewed and two tenders were rejected. Halton Recycling Ltd., qualified their bonding which provided insufficient financial security and Waste Management of Canada Corporation did not provide their original letter of credit.

Award to the lowest compliant bidder, Canada Fibers Ltd. is recommended. The contract is for a ten year period, commencing in April 2006. The annual cost of the contract is not \$2.4 million dollars. This amount includes contingency or new services that could be consider by Council at a later date. The actual annual amount is budgeted and it will not impact the net Blue Box current budget.

Staff is also requesting that the one-stream recycling process be approved for this contract. The Contract rate to process the recyclables in one stream is lower than processing the recyclable in multi-streams, with the required upgrade to the processing equipment. The cost to upgrade the recycling processing equipment and related building requirements are available from the Recycling Equipment Replacement Reserve Fund at approximately \$200,000 per year.

The one stream recycling processing system is essential in order to economically consider co-collecting the new potential waste stream of Organics (all fruit and vegetables; meat, chicken, fish, shellfish; dairy products; baked goods and ingredients; coffee grounds, tea bags and filters; pasta, rice, sauces, gravy, eggs; household plants, including soil; and non-recyclable paper & paper packaging). Staff will be presenting the details on the Organic Pilot Project in January 2006.

Council may recall that the Waste Optimization Study recommended the co-collection of blue box recyclables and organics. This is essential in order to reduce collection vehicles and collection costs. The one stream recycling process also makes it easier for residents to recycle. Residents would be able to place all recyclables in one container and would not have to sort the material.