

STAFF REPORT: ENGINEERING & PUBLIC WORKS SOLID WASTE DIVISION



REPORT TO: Infrastructure & Recreation Committee
MEETING DATE: September 8, 2009
REPORT NO.: EPW.09.082
SUBJECT: Waste and Recyclables Collection –
 Tender Award

PREPARED BY: Jeffery Fletcher, Manager of Solid Waste
 and Environmental Initiatives and
 Tender Award Committee

A. Recommendations

THAT Council approve the award of Curbside Waste and Recyclables Collection to Mid Ontario Disposal for an amount of \$2,671,022.91, excluding GST, for the next 6 years which will be subject to adjustments for fuel indexing, revenues, transportation and additional serviceable units.

THAT Council authorize the Mayor and Clerk to execute the Agreement for contract service related to TBM-2009-60.

AND THAT Council approve the award of Containerized Waste and Recyclables Collection to Miller Waste Systems for an amount of \$548,482.25, excluding GST, for the next 6 years which will be subject to adjustments for fuel indexing, revenues, transportation and additional serviceable units.

THAT Council authorize the Mayor and Clerk to execute the Agreement for contract service related to TBM-2009-61.

B. Background

On August 12, 2009 Town Staff released two tenders for the collection of solid waste. The tenders closed September 1st and a total of 7 bids were received from the 12 bid takers. Attachments 1 and 2 of this report include the lists of Unofficial Bid Results for both tenders. All tenders were examined for mathematical errors and none were identified excluding the tender from *Canadian Waste Management* for tender TBM-2009-60, which was rendered informal.

After a review of the bids Town Staff recommend the lowest bidder for both tenders, both of the low bidders meet all requirements of the tender documents.

The work of municipal waste collection was separated into two tender documents:

1. Curbside garbage and recyclables collection from residential and commercial including curbside commercial recycle carts: and
2. Containerized garbage and recyclables collection from residential multi-units and Town facilities.

The proposed contracts associated with both tenders will involve a 6 year term. The tenders contained clauses that advised the bidders that upon the anniversary of the contract the Town has the ability to terminate the contract and/or renegotiate terms. Clauses will be included in the agreements that will allow the Town to maintain its commitment to BioWaste Technologies, which involves sending all of the Town's collected waste to the proposed plant in the Township of Southgate.

Curbside Collection

The curbside collection system includes the service of 4,426 residents and commercial locations. The collection program in 2008 collected approximately 675 tonnes of recyclables and 1,326 tonnes of garbage per year from these locations.

Tender Results TBM-2009-60

The table below outlines the prices as submitted by the successful bidder, *Mid Ontario Disposal*.

Item	Cost (excluding GST)
Recyclables Collection and Processing (6 years)	\$1,423,844.20
Garbage Collection (6 years)	\$1,256,275.84
Minus Town's Share of Revenue (6 months only)	(\$9,097.13)
Total	\$2,671,022.91

The total bid in the table above reflects all 6 years of service minus 6 months of commodities revenues. Only 6 months of revenues were requested from the bidders because of the difficulty involved in anticipating revenues for a period of time beyond 6 months. However, it provides an indication of the revenues to be expected.

Provisional Items

The tender process also requested pricing on the addition of new items into curbside collection which was priced on a per serviceable unit basis. The table below represents these costs as submitted by the successful bidder, *Mid Ontario Disposal*.

Item	Cost Year One (excluding GST)
Film (plastic bags)	\$2,699.86
Textiles (clothes and fabric)	\$4,204.70
Expanded Polystyrene (Styrofoam)	\$1,991.70
Plant pots and trays	\$2,699.86
Total	\$11,596.12

At this time it is not recommended that Council consider adding any of the provisional "blue box" items, however Town Staff will be making recommendations for the addition of items during the 2010 budget process. Staff will assess the potential for diversion over the additional costs for collection of materials.

Containerized Collection

The containerized collection system includes the service of 1,330 residents and 8 Town facilities. The collection program in 2008 collected approximately 190 tonnes of recyclables and 590 tonnes of garbage per year from these locations.

Tender Results TBM-2009-61

The table below outlines the prices as submitted by the successful bidder, *Miller Waste Systems*.

Item	Cost (excluding GST)
Recyclables Collection and Processing (6 years)	\$230,927.90
Garbage Collection (6 years)	\$221,657.80
Recyclables Collection from Town Facilities (6 years)	\$54,397.29
Garbage Collection from Town Facilities (6 years)	\$45,285.59
Minus Town's Share of Revenue (6 months only)	(\$3,786.33)
Total	\$548,482.25

The total bid in the table above reflects all 6 years of service minus 6 months of commodities revenues. Only 6 months of revenues were requested from the bidders because of the difficulty involved in anticipating revenues for a period of time beyond 6 months. However, it provides an indication of the revenues to be expected.

Town Facilities

The costs associated with the collection of containerized garbage and recyclables from Town facilities is identified in the table above. These costs will be appropriately distributed to the various divisions or departments associated with the particular facility being serviced.

Provisional Items

The tender process also requested pricing on the addition of new items into Landfill Site Depot collection and/or multi unit collection which was priced on a per serviceable unit basis. The tables below represent these costs as submitted by the successful bidder, *Miller Waste Systems*.

Landfill Site Depot

Item	Cost Year One (excluding GST)
Film (Plastic Bags)	\$6,750.00
Textiles (clothes and fabric)	\$6,750.00
Expanded Polystyrene (Styrofoam)	\$6,750.00
Plant pots and trays	\$6,750.00
Total	\$27,000.00

Multi-unit collection

Item	Cost Year One (excluding GST)
Film (Plastic Bags)	\$11,637.50
Textiles (clothes and fabric)	\$13,379.80
Expanded Polystyrene (Styrofoam)	\$19,817.00
Plant pots and trays	\$11,637.50
Total	\$56,471.80

At this time it is not recommended that Council consider adding any of the provisional "blue box" items, however Town Staff will be making recommendations for the addition of items during the 2010 budget process. Staff will assess the potential for diversion over the additional costs for collection of materials.

C. The Blue Mountains' Strategic Plan

This activity will assist in meeting the Town's Strategic Plan Goal #2, *addressing the Town's municipal infrastructure needs*.

D. Environmental Impacts

Municipal recycle programs have become an icon of the environmental movement. The Town's recycling program is a legislated responsibility; however the Town determines the effectiveness of the program through the details of the service delivery. Encouraging participation, making participation easier and continuing to add more recyclable materials to the program will improve the effectiveness of the recycling program. In 2008 the Town's curbside and multi-unit waste collection program managed 2,778 tonnes of waste, 31% of that was recycled and the remainder was landfill. With enhancements to the collection program it is anticipated that the percent diverted can be increased over the next collection contract term.

Solid waste collection also involves the important activity of removing material that if left to accumulate in the populated areas has the potential of causing human and public health concerns.

E. Budget Impact

Curbside Collection

To gain a better understanding of the anticipated costs over the first year of curbside collection service, below is a table that estimates costs over the first year of service. Revenues and transportation have been extended to represent annual tonnages and only year one of the collection costs is represented.

Curbside Collection in Year One of the Contract

Item	Cost	Cost/unit
Recyclables Collection, Processing and Transportation	\$242,346.00	\$54.76
Garbage Collection	\$199,170.00	\$45.00
Town's Share of Revenue	(\$18,194.26)	\$4.11
Total (year one estimate)	\$423,321.80	\$95.64

Containerized Collection

To gain a better understanding of the anticipated costs over the first year of residential containerized collection service, below is a table that estimates costs over the first year of service. Revenues and transportation have been extended to represent annual tonnages and only year one of the collection costs is represented.

Containerized Collection in Year One of the Contract

Item	Cost	Cost/unit
Recyclables Collection, Processing and Transportation	\$37,868.60	\$28.47
Garbage Collection	\$35,072.10	\$26.37
Town's Share of Revenue	(\$7,572.66)	\$5.69
Total (year one estimate)	\$65,368.04	\$49.15

Summary of Curbside and Containerized Collection

The 2009 budget for contract waste collection and recyclables processing is net \$573,800.00. Using the TBM-2009-60/61 tender numbers and estimated recycling tonnages to be collected to account for revenues the estimated 2010 budget for contract waste collection and recyclables processing is net \$493,896.53. This calculation uses a forecast of 120 new units. This budget amount does not include a fuel increase as the majority of 2010 will not be subject to a fuel index under the terms of the tender.

The 2009 budget anticipated an increase in contract waste collection costs. The new tender costs are favourable for the Town and the new costs for 2010 will be slightly lower than 2009 contract costs.

Town Facilities

The table below identifies each Town facility to be serviced and shows the cost for service in year six of the former contract and year one of the new proposed contract for both waste and recyclables collection.

Facility	Former Contract Cost	New Contract Cost
Town Office	\$1,346.10	\$1728.48
Thornbury Harbour	\$1,346.10	\$1,535.04
Beaver Valley C.C.	\$1,346.10	\$1,535.04
E.S. Warehouse	\$1,346.10	\$1,087.84
Thornbury STP	\$1,009.58	\$335.40
Craigleith STP	\$673.05	\$447.20
Park's Operation Building	N/A	\$1,311.44
Landfill Depot	\$6,730.52	\$7,794.80
Total	13,797.55	\$15,775.24

F. Attached

1. Unofficial Bid Results TBM-2009-60
2. Unofficial Bid Results TBM-2009-61

Respectfully submitted,

Jeffery Fletcher
Manager of Solid Waste and Environmental Initiatives

Tender Award Committee

Paul Graham
Chief Administrative Officer

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Unofficial Bid Results

Project Name: Tender for Curbside Waste & Recyclables Collection

Contract Number: TBM-2009-60

Closing Date: Tuesday, September 1, 2009, 2:00 P.M. Local time Clerk's Office

No.	Bidder	Date Tender Received	Tender Deposit Received	Amount of Tender including GST
1	Miller Waste Systems	Sept. 01/09	Yes	\$2,749,827.71
2	Waste Management	Sept. 01/09	n/a	NO BID
3	Canadian Waste Management	Sept. 01/09	Yes	\$6,801,523.04
4	Sandhill Disposal	Sept. 01/09	Yes	\$4,885,994.18
5	Mid Ontario Disposal	Sept. 01/09	Yes	\$2,671,022.91

The above results are preliminary and no conclusion of award should be made from the information indicated above.



Unofficial Bid Results

Project Name: Tender for Containerized Waste & Recyclables Collection

Contract Number: TBM-2009-61

Closing Date: Tuesday, September 1, 2009, 2:00 P.M. Local time Clerk's Office

No.	Bidder	Date Tender Received	Tender Deposit Received	Amount of Tender including GST
1	Miller Waste Systems	Sept. 01/09	Yes	\$548,482.25
4	Waste Management	Sept. 01/09		NO BID
7	Waste Services (CA) Inc.	Sept. 01/09	Yes	\$790,617.86
9	Sandhill Disposal	Sept. 01/09	Yes	\$740,297.28

The above results are preliminary and no conclusion of award should be made from the information indicated above.