



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** September 9, 2021
From: Suzanne Bycraft
Interim Director, Public Works Operations **File:** 10-6370-04-01/2021-Vol 01
Re: **Change Order Approval – Contract 6509P – Mattress and Upholstered Furniture Recycling Services**

Staff Recommendation

1. That staff be authorized to issue a change order to increase the value of the current contract between the City of Richmond and Canadian Mattress Recycling Inc. as detailed in the staff report titled “Change Order Approval – Contract 6509P – Mattress and Upholstered Furniture Recycling Services” dated September 9, 2021, from the Interim Director, Public Works Operation, by \$1,270,815, bringing the new contract value to \$2.3 million over the maximum available term of five years; and
2. That the Chief Administration Officer and the General Manager, Engineering and Public Works be authorized to execute a contract amendment with Canadian Mattress Recycling Inc. to reflect the increase in predicted usage of services over the five-year term.

Suzanne Bycraft
Interim Director, Public Works Operations
(604-233-3338)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Purchasing Finance	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

At their October 28, 2019 meeting, Council approved the award of contract 6509P – Mattress and Upholstered Furniture Recycling services as follows:

That Contract 6509P – Mattress and Upholstered Furniture Recycling Services be awarded to Canadian Mattress Recycling Inc. at an estimated total contract value of \$1,029,185 over a maximum five-year term and the Chief Administrative Officer and General Manager, Engineering & Public Works be authorized to negotiate and execute a service contract with Canadian Mattress Recycling Inc. incorporating the key terms outlined in the staff report dated September 24, 2019.

The initial value of this contract over the full five-year term was estimated at \$1,029,185, based on best available information on program quantities at that time. However, the success of the City's recycling programs (Recycling Depot drop-off and Large Item Pick Up) has been greater than anticipated resulting in increased quantities of mattresses and upholstered furniture being received.

This report provides further details and seeks to increase the contract value by \$1,270,815, for a total of \$2.3 million over the maximum five-year term.

This report supports Council's Strategic Plan 2018-2022 Strategy #2 A Sustainable and Environmentally Conscious City:

2.1 Continued leadership in addressing climate change and promoting circular economic principles.

2.2 Policies and practices support Richmond's sustainability goals.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

5.3 Decision-making focuses on sustainability and considers circular economic principles.

Analysis

Background

Canadian Mattress Recycling Inc. was selected through competitive tendering process 6509P – Mattress and Upholstered Furniture Recycling Services issued to the marketplace on May 21, 2019. Canadian Mattress Recycling Inc. offered overall best value as well as their commitment to maximize reuse and recycling and incorporate circular economy principles. A summary of Canadian Mattress Recycling Inc.'s recycling practices include:

- Separating recyclable components for processing, including metal, foam, quilting, plastic, cardboard, wood, pocket coil inners and cotton;
- Sharing components of disassembled mattresses and furniture with the public for reuse or up-cycling, such as wood from box springs, coir/coconut fibre mats, polyester filling, leather, cushion covers and furniture legs;
- Donating reusable furniture legs to Value Village and Habitat for Humanity;
- Laundering and stuffing couch seat cushion covers with poly-fill for animal rescues or donations to charity thrift stores such as Ridge Meadows Hospice Society;
- Donating throw cushions to local organizations;
- Donating upholstered chairs and shipping them to El Salvador as part of the flood relief effort in 2020; and
- Partnering with a volunteer group called Fabric Bag Solutions who make cloth grocery bags from salvaged cushion covers and donate them to food banks.

Volumes

The program for recycling mattresses and upholstered furniture from the Large Item Pick Up program and drop-off at the Recycling Depot has proven to be popular with residents, with an average annual increase of 32% from 2019 quantities as shown in Table 1.

Table 1: Quantities of Mattress and Upholstered Furniture Collected

Date	Mattress Quantity	Upholstered Furniture Quantity	Total Items Collected	Percent Change
2019	3,876	8,873	12,749	
2020	4,889	12,187	17,076	33.9%
Projection for 2021	5,273	17,046	22,319	30.7%
Average annual increase				32.3%

When the contract value was estimated, there was only four months of program data available, resulting in an estimated value of \$1,029,185. Costs are based on a per-unit amount as tendered for the recycling of mattresses and upholstered furniture. As a result, the contract value will vary based on the total number of items collected and received through the City’s recycling programs. Due to the overwhelming success of the programs and unanticipated growth in quantities received, the total approved contract value will exceed original estimates.

Annual tonnage is projected to increase by 20%, or from 433 tonnes in 2020 to 520 tonnes for 2021. This initiative contributes to the City’s overall waste diversion, currently 79.3% (2020 data).

Based on current patterns and estimates, it is projected that additional funds amounting to \$1,270,815 will be required, bringing the total contract value to \$2.3 million through October 31, 2024 (five-year term). This estimate includes annual increases to projected quantities over the remainder of the term.

Alternatives

There are two facilities in the region that accept mattresses and upholstered furniture for recycling. They are Canadian Mattress Recycling Inc. located on Annacis Island in Delta and Pacific Mattress Recycling Inc. located in Hope. Both organizations responded to the City's initial call for proposals. As outlined in the staff report titled "Award of Contract 6509P – Mattress and Upholstered Furniture Recycling Services" dated September 24, 2019, the submission by Canadian Mattress Recycling Inc. represented overall best value and more broadly met the City's circular economy objectives through their significantly higher degree of reuse and recycling approaches.

Financial Impact

Funding is provided in the annual Sanitation and Recycling utility budget to support mattress and upholstered furniture recycling services. The Sanitation and Recycling utility budget is adjusted annually to account for projected fluctuation in quantities of materials received.

Conclusion

The success of the City's recycling programs has exceeded expectations, resulting in the estimated original value of contract 6509P – Mattress and Upholstered Furniture Recycling Services being exceeded. This report seeks approval for a change order to increase the value of the contract to \$2.3 million over the five-year contract term (through October 31, 2024) to more closely reflect actual updated quantity projections.

Canadian Mattress Recycling Inc. is the City's current vendor and continues to represent best value for these services, therefore is recommended for this change order approval.



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