



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** May 13, 2022
From: Suzanne Bycraft **File:** 10-6370-01/2022-Vol
 Director, Public Works Operations 01
Re: **Award of Contract: 7268P – Roll-Off and In-Ground Container Collection and Recycling/Disposal Services**

Staff Recommendation

1. That Contract 7268P – Roll-Off and In-Ground Container Collection and Recycling/Disposal Services be awarded for a five-year term, commencing August 1, 2022 to GFL Environmental Inc. at an estimated total contract value of \$3,163,153.03, as described in the report titled “Award of Contract: 7268P – Roll-Off and In-Ground Container Collection and Recycling/Disposal Services”, dated May 13, 2022, from the Director, Public Works Operations; and
2. That the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to extend the initial five-year term, up to the maximum total term of seven years, for the maximum total amount of \$4,588,832.26, as described in the report titled “Award of Contract: 7268P – Roll-Off and In-Ground Container Collection and Recycling/Disposal Services”, dated May 13, 2022, from the Director, Public Works Operations; and
3. That the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to execute the contract and all related documentation with GFL Environmental Inc.

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

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

Staff Report

Origin

The City contracts for the provision of roll-off and in-ground recycling and waste containers at various locations throughout Richmond including the Works Yard and the City's Recycling Depot. This service includes the provisioning of containers, transportation, processing and marketing of various recycling and waste materials to City-approved processing facilities. The previous five-year contract (three-year term, plus two one-year renewals) was awarded on August 1, 2017 and split between two contractors. This contract is set to expire on July 31, 2022.

To engage a qualified service provider, a procurement process was undertaken via a Request for Proposals (RFP) 7268P – Roll-Off and In-Ground Container Collection and Recycling/Disposal Services.

This report presents the results of this RFP and recommends the award of a contract to GFL Environmental Inc.

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

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

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

Analysis

Request for Proposals 7268P – Roll-Off and In-Ground Container Collection and Recycling/Disposal Services

The above referenced RFP was posted on BC Bid on January 18, 2022 and closed on February 15, 2022.

The RFP requested proponents to submit financial proposals for the supply, hauling and servicing of containers, anticipated costs and revenues for the processing and disposal of waste materials collected.

Costs include container rental fees, labour, transportation, processing or disposal, and all equipment and materials required for completion of the work. For efficiencies and economies of scale, the City intends to award one contract for all service requirements.

Five proposals were received by the closing date from the following proponents:

- GFL Environmental Inc.
- Super Save Group of Companies
- Maple Leaf Disposal Ltd.
- Cascades Recovery
- ABC Maintenance & Environmental

Review Process

Staff undertook independent reviews of the proposal responses. Proposals were scored and evaluated against pre-determined criteria that included:

- Corporate profile and capacity
- Demonstrated experience and references
- Project understanding, approach, methodology and work plan
- Circular economy and sustainability opportunities
- Financial performance

Due to the nature of the work, only three of the proponents provided quotations for all of the requested services. The evaluation results of the RFP are summarized in Table 1.

Table 1: Evaluation Results

Ranking	Proponent	Evaluation Score	Proponent’s Pricing based on 5-Year Contract Term
1	GFL Environmental Inc.	91.2%	\$3,163,153.03
2	Super Save Group of Companies	83.9%	*\$3,979,370.63
3	Maple Leaf Disposal Ltd.	76.3%	\$4,385,553.29
4	Cascades Recovery	50.3%	*\$474,578.23
5	ABC Maintenance & Environmental	27.8%	\$6,265,166.22

*submitted pricing for certain services only

Based on staff’s evaluation of the proposals received and further clarification, GFL’s proposal received the highest overall score and therefore was ranked first (shown in Table 1). GFL is determined to have the greatest ability to meet the scope and nature of the work and provide best value to the City due to favourable pricing, anticipated commodity revenues and alignment with the City’s circular economy goals.

Contract Terms

The key terms of the service contract will include:

1. *Collection Services:* The provisioning of roll-off containers, collection, transportation and delivery of collected materials to disposal or processing facilities in addition to the collection and disposal services for City owned in-ground waste containers.
2. *Disposal or Processing Services:* The proponent will ensure proper disposal, processing, sale or trade at fair market value, with recyclable materials being sold or traded with the purpose of being reused or recycled into new products.
3. *Commodity Price Variation:* Processing and/or disposal costs are determined by the market rate (posted tipping fees and commodity rates provided by the disposal and recycling facilities). These costs will be validated by the rate sheets given by the

processing/disposal facility for each material. Due to considerable fluctuations in commodity markets, staff are estimating a 10% allowance for this aspect of the work.

4. *Term:* The contract will have an initial term of five (5) years commencing on August 1, 2022. The agreement may be renewed under the same terms and conditions for a maximum of two (2) additional one (1) year terms.
5. *Escalation:* Annual inflation applicable on the anniversary date of the contract fixed at 3.5% per annum.
6. *Reporting:* Contractor to provide waste tracking reports, including weight reports for all materials collected on a monthly basis, or as requested by the City.

Financial Impact

The total value of this contract over the recommended five-year term is estimated at \$3,163,153.03 as summarized in Table 2.

Table 2: Total 5-Year Term Contract

Contract Year	GFL Environmental Inc.
2022	\$491,557.60
2023	\$508,762.12
2024	\$526,568.79
2025	\$544,998.69
2026	\$564,073.65
Commodity Price Variation	\$263,596.09
Contingency	\$263,596.09
Total (5 years)	\$3,163,153.03

The City has the option to extend the initial five-year contract for two additional one-year terms, for a total added value of \$1,425,679.23. The estimated costs associated with this extension are summarized in Table 3.

Table 3: Contract Extension Cost

Contract Year	GFL Environmental Inc.
2027	\$583,816.23
2028	\$604,249.80
Commodity Price Variation	\$118,806.60
Contingency	\$118,806.60
Total (2 years)	\$1,425,679.23
Total (5 years)	\$3,163,153.03
Maximum 7-year term	\$4,588,832.26

The total amount for the maximum seven-year term is \$4,588,832.26. The decision to extend the contract by an additional two years would be based on the company's individual performance over the initial term. Required funding amounts for the services under this contract are included in the annual Solid Waste & Recycling budget.

Conclusion

This report presents the results of a competitive procurement under 7268P – Roll-Off and In-Ground Container Collection and Recycling/Disposal Services. It is recommended that the contract be awarded to GFL Environmental Inc. for the initial five-year term, at the total amount of \$3,163,153.03, and that the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to extend the initial five-year term, up to a maximum total term of seven years for the total amount of \$4,588,832.26, with anticipated commencement on August 1, 2022 based on the key terms as outlined.



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