



Supports Item No. 9  
PT&E Committee Agenda  
April 24, 2013

ADMINISTRATIVE REPORT

Report Date: April 10, 2013  
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Meeting Date: April 24, 2013

TO: Standing Committee on Planning, Transportation and Environment

FROM: General Manager of Engineering, General Manager of Financial Services  
Group and Chief Purchasing Official

SUBJECT: Contract Award for the Services to Receive, Sort and Process Organic  
Materials

**RECOMMENDATION**

THAT Council authorize City staff to negotiate, to the satisfaction of the City's General Manager of Engineering, Director of Legal Services, Director of Finance, and Chief Purchasing Official, and enter into, a contract with Enviro-Smart Organics Ltd. to provide additional yard trimmings and food scraps processing capacity at an estimated contract value of \$2,670,000 plus applicable taxes for a term of three years, and providing for two additional one-year optional extension periods, with funding to be provided from the Solid Waste Utility Operating Budget.

FURTHER THAT the Director of Legal Services be authorized to execute on behalf of the City the contract contemplated by Recommendation A;

AND FURTHER THAT no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contract is executed by the Director of Legal Services.

**REPORT SUMMARY**

The City issued a Request for Proposal (RFP 20120790) for the supply of services to receive, sort and process organic materials. The City received three proposals in response to the RFP. City staff on the RFP evaluation committee and, subsequently, the Bid Committee has considered the proposals received and, on that basis, this report recommends that the City negotiate and, if such negotiations are successful, enter into a contract with Enviro-Smart Organics Ltd.

## ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

The City's Procurement Policy requires that contracts with values over \$2 million must be approved by Council following review and recommendation by the Bid Committee. Bid Committee has considered and approved Enviro-Smart Organics as the successful proponent.

## ***REPORT***

### ***Background/Context***

Vancouver's Greenest City Action Plan goal of zero waste and Metro Vancouver's planned ban on the disposal of compostable organic waste (yard trimmings, food scraps and food soiled paper) to landfill and incinerator by 2015 requires the City to develop new programs and operating arrangements with receivers and processors of organic waste in order to meet these objectives.

In April 2010 the City launched the first phase of the food scraps recycling program by allowing all residents in single family and duplex properties (about 100,000 properties) to add fruit and vegetable scraps to their green bin. In the fall of 2011 the City began a pilot program involving the collection of all food scraps (meat, dairy, bakery, food soiled paper, etc.) weekly and garbage biweekly from 2,000 homes. Building on the success of the pilot, in the fall of 2012 the City implemented full food scraps collection for all single family and duplex homes across Vancouver, and beginning in May 2013 those properties are being converted to biweekly garbage and weekly green bin collection.

The annual tonnage of green bin material collected by the City has increased steadily since the commencement of the yard trimmings collection program in 1999. In 2012, City crews collected over 26,000 tonnes of combined yard trimmings and food scraps. The conversion of all single family and duplex properties to weekly green bin and biweekly garbage collection will significantly increase the amount of green bin material collected and may also result in increased levels of contamination (non-compostable materials such as plastic bags) in green bins as residents adapt to the program change.

Since the spring of 2010 green bin material collected across the City has been transferred to Harvest Power Canada Ltd. in Richmond for processing into compost under a contract between the City and Metro Vancouver. With the implementation of biweekly garbage collection, additional contracted processing capacity and operating flexibility will be required to augment what is already provided at Harvest Power.

Based on the 2011/2012 pilot of expanded weekly food scraps collection and biweekly garbage collection, staff expect that a fully developed citywide program would result in increasing the current annual volume of material to be handled by approximately 20,000 tonnes or more per year and the City would need to be prepared to manage this increased volume.

## ***Strategic Analysis***

The RFP was issued in accordance with the terms and conditions of the City's Procurement Policy. The City received three proposals in response to the RFP and, under the stewardship of Supply Chain Management; the responses were evaluated to ascertain which offered the best overall value to the City. The evaluation was conducted by a team comprised of representatives from Engineering Services and Supply Chain Management. In determining which proposals offered the best overall value to the City, both quantitative and qualitative factors such as price and service offerings, technical experience and sustainability were considered, among other factors. Some of the criteria considered in the overall evaluation process included:

- a) Technical reputation and capabilities;
- b) Ability to offer competitive financial offerings;
- c) Personnel experience;
- d) Proven track records to deliver service;
- e) Ability to receive City trucks; handle anticipated feedstock and handle contaminants in the feedstock;
- f) Ability to prevent or control odours and nuisance conditions;
- g) Quality and quantity of product(s) produced and availability/stability of markets;
- h) Greenhouse gas emissions; and
- i) Value-added services in the proposal and/or innovative approaches.

Based on the overall evaluation, the team concluded that the proposal submitted by Enviro-Smart Organics Ltd. provided best overall value to the City.

## ***Financial***

Engineering Services and Finance have reviewed the financing for the required services and concur that funding for 2013 is available from the Council approved Solid Waste Utility Operating Budget and funding for future years will be managed within the annual budget process. As a result of the RFP process by sending the maximum of 20,000 tonnes of the expected 46,000 tonnes to Enviro-smart annually the City was able to achieve a forecasted savings of approximately \$256,920 per year over the cost of sending that incremental material to Harvest under the current Metro Vancouver contract pricing. The existing contract through Metro Vancouver, which is not tied to achieving a specific tonnage amount, will remain in place for the existing 26,000 tonnes of material which will continue to be collected.

## ***Environmental***

Food scraps and food soiled paper represent about 40% by weight of garbage disposed of in the landfill or by incineration in the region. As part of Metro Vancouver's Integrated Solid Waste and Resource Management Plan, banning the disposal of compostable organic waste from landfills and incinerators is targeted for 2015. Maximizing diversion of compostable organic waste is also a key action in enabling the City to meet the Greenest City 2020 Zero Waste target of reducing total waste to landfill or incinerator by 50% from 2008 levels. Diversion of organic material from disposal also results in a net reduction in greenhouse gas production, another of the Greenest City goals.

In 2012 over 26,000 tonnes of combined yard trimmings and food scraps was sent to Harvest Power for processing into compost. The 2011/12 pilot program determined that with a comprehensive city-wide program the overall amount of green bin material collected will increase by about 20,000 tonnes, made up of approximately 10,000 tonnes of food scraps and 10,000 tonnes of additional yard trimmings, reducing the overall impact on landfill capacity and greenhouse gas production.

## ***CONCLUSION***

In summary, City staff recommends that the City of Vancouver enter into a three-year contract at an estimated contract value of \$2,670,000, with the option to extend for two additional one-year terms, with Enviro-Smart Organics Ltd. for the procurement of services to receive, sort and process organic materials. Enviro-Smart Organics Ltd. had the highest overall evaluation score and offers the best overall value to the City.

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