



ADMINISTRATIVE REPORT

Report Date: May 5, 2014
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Meeting Date: May 14, 2014

TO: Standing Committee on City Finance and Services

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

SUBJECT: Contract Award for Recycling Receiving Yard Operating and Hauling Services

RECOMMENDATION

THAT Council receive this report for information.

REPORT SUMMARY

The City issued a Request for Proposal ("RFP PS20140305") for Recycling Receiving Yard Operating and Hauling Services (the "RFP"). The RFP was advertised on the City of Vancouver's website and BC Bid. The RFP for the work was called in accordance with the terms and conditions of the Procurement Policy. City staff on the RFP evaluation committee and, subsequently, Bid Committee considered the proposals received and recommended that the City enter into a contract with Green By Nature.

As a result of the late notice by Multi-Material BC ("MMBC") of the successful proponent for the receiving of recycling materials with a new location it was urgent for the city to transition to a new contractor at the City Recycling Receiving Yard. The risks to the City associated with any delay in implementing the new scope of services at the Recycling Receiving Yard compelled the Bid Committee to invoke its extended authority to award the contract under Section 12.6 of City's Procurement Policy (AF-015-01), which extends Bid Committee's authority to award a contract where: (i) goods, services or construction are urgently required and where delay would be injurious to the public interest as determined by the City Manager; and (ii) the total purchase price of a contract is greater than \$2 million.

As there was no scheduled Council meeting between the proponent selection and the required award date, Bid Committee awarded the contract to Green By Nature in a Bid Committee Report dated May 2, 2014.

REPORT

Background/Context

Currently recyclable materials collected via the City's blue box recycling program (single family dwellings) and apartment recycling program (multi-unit buildings) are received, sorted, baled and shipped by the City's Processing and Marketing ("P&M") contractor to companies which manufacture new products using these recycled materials. The P&M contractor is also responsible for operating the City-owned recycling receiving yard at 1198 East Kent Avenue South as part of its agreement with the City.

Recycling collection vehicles drop off recyclables at the recycling receiving yard and the P&M contractor hauls the recyclables to their processing facility where the recyclables are sorted and processed accordingly. The processed recyclables are sold and shipped to end users by the P&M contractor. The City's current P&M contract expires May 18, 2014, to coincide with the City's agreement with MMBC for curbside collection services.

As required by provincial legislation, the producers of printed paper and packaging ("PPP"), acting through MMBC, will assume responsibility for providing residential PPP collection and processing services in BC as of May 19, 2014.

The City has entered into an agreement with MMBC to continue providing recycling collection services with a subsidy from MMBC. Starting May 19, 2014, the City is required to deliver recyclables collected daily to MMBC's designated post-collection service provider Green By Nature's facility in Surrey (or such other facility as is designated from time to time) by 7 pm each day.

MMBC has contracted directly with Green By Nature for processing and marketing PPP to end markets, therefore, the City no longer needs to contract for processing and marketing services.

However, the City requires a qualified supplier to provide all labour, materials and equipment necessary to operate and maintain the Recycling Receiving Yard, located at 1198 East Kent Avenue South, for the purpose of receiving and weighing PPP collected from single family dwellings and multi-unit buildings and delivered to the Recycling Receiving Yard in collection vehicles. The supplier will consolidate and bulk load the PPP to its own vehicles for transfer to the designated delivery point at Green By Nature's facility in Surrey before 7 pm on each day.

The contract will be for 4.5 years expiring November 29, 2018 with two additional one-year extension options, coinciding with the term of the City's agreement with MMBC for curbside collection services.

Strategic Analysis

The RFP was prepared by Supply Chain Management staff in collaboration with Engineering Services - Solid Waste Management Branch and Legal Services.

Proposals were evaluated by an evaluation committee following the City's standard procurement process. The evaluation team, consisting of representatives from Solid Waste Management, Sanitation Services and Supply Chain Management, conducted the evaluation to determine which proposal offered the best overall value to the City.

Based on the overall evaluation, the team concluded that the proposal submitted by Green By Nature best met the City's requirements and provided best overall value to the City.

Financial

Finance has reviewed the financial information and confirmed that funding will be available from the approved Solid Waste Collections MMBC budgets.

Risks and Considerations

The City's current P&M contract with Urban Impact expires May 18, 2014 to align with the commencement of the City's contract with MMBC on May 19, 2014. The new contractor for Recycling Receiving Yard Operating & Hauling Services must start providing services at the Recycling Receiving Yard on May 19, 2014 for the City to fulfill its obligations under its contract with MMBC. The transition to the new contractor at the Recycling Receiving Yard requires approximately two weeks prior notice for the new contractor to mobilize its staff and equipment to assume the services.

As a result of the urgency of transitioning to the new contractor at the Recycling Receiving Yard and the risks to the City associated with a delay in implementing the new scope of services at the Recycling Receiving Yard, Bid Committee has invoked its extended authority to award the contract under Section 12.6 of City's Procurement Policy (AF-015-01), which extends Bid Committee's authority to award a contract where: (i) goods, services or construction are urgently required and where delay would be injurious to the public interest as determined by the City Manager; and (ii) the total purchase price of a contract is greater than \$2 million. As there was no scheduled Council meeting between the proponent selection and the required award date, Bid Committee awarded the contract to Green By Nature in a Bid Committee Report dated May 2, 2014.

CONCLUSION

The City has awarded a 4.5 year contract, with the option to extend for two additional one-year terms, to Green By Nature for the Recycling Receiving Yard Operation and Hauling Services as Green By Nature offers the best overall value to the City.

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