



## ADMINISTRATIVE REPORT

Report Date: January 22, 2018  
Contact: Nick Kassam  
Contact No.: 604.829.2097  
RTS No.: 12325  
VanRIMS No.: 08-2000-20  
Meeting Date: January 31, 2018

TO: Standing Committee on City Finance and Services

FROM: General Manager of Engineering and Chief Purchasing Official

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

### **RECOMMENDATION**

- A. THAT Council authorize City staff to enter into a contract with Enviro-Smart Organics Ltd. (a division of GFL Environmental Inc.), for the services to receive, sort and process organic materials, for a term of five (5) years, with an aggregated value of \$15,250,000 (average annual value of \$3,050,000), plus applicable taxes, to be funded through Solid Waste Utility Fees for Green Bin Collection and Processing Services.
- B. THAT the Director of Legal Services, Chief Purchasing Official and General Manager of Engineering be authorized to execute on behalf of the City the contract contemplated by Recommendation A.
- C. 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 authorized signatories of the City as set out in these Recommendations.

### **REPORT SUMMARY**

The City issued a Notice of Intent to Contract ("NOITC") - PS20171879 on November 2, 2017 for the services to receive, sort and process organic materials. The NOITC was advertised on the City of Vancouver website and BC Bid and the work was called in accordance with the terms and conditions of the City's Procurement Policy AF-015-01. City staff, Bid Committee and the City Manager have considered and addressed queries received about this procurement, and on that basis recommend that the City enter into a contract as describe above with Enviro-Smart Organics Ltd.

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

The City's Procurement Policy AF-015-01 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee and City Manager has considered, and recommended Enviro-Smart Organics Ltd., as the successful proponent.

## ***REPORT***

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

To support the City of Vancouver Greenest City Action Plan and the City's Green Bin (yard trimmings and food scraps collection) Program, the City requires a service provider with the capacity and capability to receive and process approximately 50,000 tonnes per year of organics (to produce value added materials such as compost or bio-fuel). Best overall value considered by the City from a service provider would include; competitive pricing, technical capability, track record of service and environmental sustainability.

In June 2013 the City entered into an agreement with Enviro-Smart Organics Ltd. for processing organics, pursuant to the issuance of City RFP No. PS20120790. The City contract with Enviro-Smart for processing organics expires on May 31, 2018 at the end of its five year term.

The City currently delivers all Green Bin Program organics to Enviro-Smart Organics Ltd. in Delta.

### ***Strategic Analysis***

Through a comprehensive market analysis, including

- Market pricing assessment with documented pricing change notification;
- Market alternate technology evaluation and its associated operational cost;
- Vendor community locations, transportation and sustainability (GHG emission) considerations,

It was determined that contracting with Enviro-Smart Organics Ltd. would provide the best overall value to the City. As such, the City issued a NOITC with the purpose to publicly advertise the City's intent to contract with Enviro-Smart Organics Ltd.

The NOITC was issued in the accordance with City's Procurement Policy AF-015-01. The City received no challenge or alternative proposals from the market during the NOITC posting period.

Based on the response from the posting of the NOITC, it was concluded that Enviro-Smart Organics Ltd. best meets the City's requirements and provides best overall value to the City and it would be practical to continue the current service.

### ***Financial Implications***

Finance has reviewed and confirmed that funding is available from the approved 2018 operating budget for the Solid Waste Utility. For 2019 through 2022, the estimated contract cost will form part of the annual operating budget process. Resulting from the NOITC, the City is able to achieve cost certainty over the term of the contract.

### ***Legal***

The City's Procurement Policy requires that all contracts that have been awarded by Council will be signed by the Director of legal Services.

### ***CONCLUSION***

In summary, City staff recommends that the City of Vancouver negotiate and enter into a five year contract with Enviro-Smart Organics Ltd. for providing the services to receive, sort and process organic materials.

\* \* \* \* \*