



REPORT

Report Date: April 19, 2021
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Meeting Date: May 19, 2021
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TO: Standing Committee on City Finance and Services

FROM: General Manager of Engineering Services and Chief Procurement Officer

SUBJECT: Contract Award for Processing and Marketing of Scrap Metal

RECOMMENDATION

- A. THAT Council authorize City staff to negotiate to the satisfaction of the City's General Manager of Engineering Services, City's Director of Legal Services, and the City's Chief Procurement Officer and enter into a contract with Schnitzer Steel Canada Ltd., for the processing and marketing of scrap metal, for a term of three (3) years, with the option to extend for three (3) additional two (2) year terms, with an estimated contract revenue of \$2,408,910, plus applicable taxes over the initial 3-year term, with revenues to be credited to the Vancouver Landfill and Vancouver South Transfer Station cost centres.
- B. THAT the Director of Legal Services, Chief Procurement Officer and General Manager of Engineering Services 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 Request for Quotation ("RFQ") No. PS20200606 on December 1st, 2020 for the Processing and Marketing of Scrap Metal. The RFQ was advertised on City of Vancouver website and BC Bid and the work was called in accordance with the terms and condition of the City's Procurement Policy ADMIN-008. City staff and, subsequently, Bid Committee have considered the responses received, and on that basis recommend that the City negotiate and if

such negotiations are successful enter into a contract as describe above with Schnitzer Steel Canada Ltd.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The City's Procurement Policy ADMIN-008 requires that contracts with values over \$2 million must be approved by Council following review and recommendations by the Bid Committee. The Bid Committee has considered and recommended Schnitzer Steel Canada Ltd. as the successful proponent.

There is no applicable Council Authority or previous decisions relevant to this report.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

The City's Department of Engineering Services, Zero Waste & Resource Recovery Division - Transfer & Landfill Operations requires the service for processing and marketing of scrap metal.

The City's Zero Waste Centres at the Vancouver South Transfer Station and Vancouver Landfill in Delta provide customers the opportunity to divert useful resources from disposal. It is estimated that more than 3,200 tonnes of scrap metal are collected and diverted by the City each year.

Customers may drop off residential quantities at these depots free of charge. The scrap metal is hauled to the vendor's facility for sorting, baling and further processing so that they can be put to new use. Revenues are generated for the scrap metal sold.

The purpose of the RFQ was to identify a supplier with demonstrated capability to meet the City's estimated demand over the term of the contract as well as offer the highest revenue to the City, on as required schedule and/or as needed basis.

Strategic Analysis

The RFQ was issued in the accordance with City's Procurement Policy ADMIN-008. The City received responses from Schnitzer Steel Canada Ltd., ABC Recycling and Richmond Steel Recycling. The responses were reviewed by a project manager from Engineering Services - Transfer & Landfill Operations under the stewardship of Supply Chain Management to ascertain if the responses offered good overall value to the City, both quantitative and qualitative factors were evaluated.

Some of the Criteria considered in the review process included:

- Price; and

- the proponents ability to meet the City's operation requirements including but not limited to reporting requirement, and compliance to the City's defined key performance indicators

Based on the overall evaluation, the team concluded that the prices submitted by Schnitzer Steel Canada Ltd, best met the City's requirements and provided best overall value to the City.

Sustainability

Schnitzer Steel is a global ethical leader in providing a clean environmentally friendly waste stream recycling solution and operates as a Climate Smart Certified business. The company has been named as the most Ethical Company in 2015-2020 by Ethisphere (six consecutive awards and first time ever awarded to a scrap processing company).

Schnitzer Steel's sustainability goals are focus on People, Planet and Profit. Their sustainability achievements in fiscal 2020 are:

- For people's safety, 1.91 total case incident rate, a 32% improvement;
- 15% reduction of GHG emission from recycling operations;
- Exceeded initial goal early with 93% carbon-free electricity use;
- Achieved a profitability improvement target of \$15/ton using sustainability-based initiatives by new advanced metal recovery technology.

Implications/Related Issues/Risk (if applicable)

Financial

The contract provides revenue to the City from the marketing of scrap metal. Financial Planning and Analysis (FP&A) reviewed the revenue for the goods and/or service and concurs that the estimates are reasonable and are consistent with the approved budget.

Legal

The City's Procurement Policy requires that all contracts that have been awarded by Bid Committee and 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 three (3) year contract, with the option to extend the contract for an additional three (3) two(2)-year terms, with Schnitzer Steel Canada Ltd., for the processing and marketing of scrap metal.

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