Award of Contract for the Collection, Processing and Marketing of Recyclables - Tender No. 162-2002
Files GL-9 (Vol. 18), WT-1.3 (Vol. 22)

8. The Standing Policy Committee on Public Works has been advised that funds for Single Family Blue Box Collection are included in the Annual Current Estimates, Account No. 45 55210206 200203, and funds for marketing and processing recyclables are included in the Annual Current Estimates, Account No. 45 55210215 200203.

Tenders closed on August 23, 2002, with bids being received as follows:

Alternative A**	**Collection**	**Processing/ Marketing**	**Processing/ Marketing with Discount***
BFI Canada Inc.	$2,851,185.50	No bid	
Canadian Waste Services Inc.	$2,887,669.00	$2,069,762.50	
International Paper Industries Ltd.	$3,051,700.00	$2,016,300.00	$1,448,375.50
Metro Materials Recovery Inc.	no bid	$1,878,825.00	
Miller Waste Systems, a Division of Miller Paving Limited	$2,856,906.00	$2,665,487.50	$2,533,511.50
Alternative B**			
BFI Canada Inc.	$3,540,225.50	No bid	
Canadian Waste Services Inc.	$3,566,551.00	$1,922,817.00	
International Paper Industries Ltd.	$3,417,100.00	$1,588,600.00	$1,109,270.50
Metro Materials Recovery Inc.	no bid	$1,657,337.50	
Miller Waste Systems, a Division of Miller Paving Limited	$3,046,131.00	$2,800,518.50	$2,668,542.50
Alternative C**			
BFI Canada Inc.	$3,540,225.50	No bid	
Canadian Waste Services Inc.	$3,438,248.00	$2,081,982.50	
International Paper Industries Ltd.	$3,939,100.00	$1,680,250.00	$1,283,100.00
Metro Materials Recovery Inc.	no bid	$1,847,358.50	
Miller Waste Systems, a Division of Miller Paving Limited	$3,460,599.00	$2,634,021.00	$2,502,045.00
Alternative D**			
BFI Canada Inc.	$4,149,399.50	No bid	
Canadian Waste Services Inc.	$3,419,434.00	$1,946,340.50	
International Paper Industries Ltd.	$3,939,100.00	$1,466,400.00	$1,038,700.00
Metro Materials Recovery Inc.	no bid	$1,623,121.50	
Miller Waste Systems, a Division of Miller Paving Limited	$3,736,998.00	$2,769,052.00	$2,637,076.00

* Clause B15 of the tender documents states that it is the intention of the City to award two Contracts: one for Collection and one for Processing and Marketing. In clause D4 of the tender documents the bidders were asked to submit a price reduction on a per tonne basis on Form B: Prices for Processing and Marketing if both Contracts were awarded to one Contractor. The Tender also states that the award will be made to the bidder or bidders that form the lowest overall combined price for the Collection portion and the Processing and Marketing portion of the work. International Paper Industries Inc. submitted the lowest combined price for Alternative A in the amount of $4,500,075.50 plus GST.

** The tender documents include four Alternatives that Bidders could bid on. It is the intent of the City to have residents place their recyclables out for collection in a commingled collection container - all recyclables placed loosely in a collection container and no requirement for pre-sorting of recyclables. The Alternatives include different work methods for handling the recyclables from the point of collection as follows:

Alternative A
Single Stream: Recyclables are collected and delivered to the processing facility in a commingled state. There is no requirement for sorting the recyclables at the curbside by the Contractor. The Processing and Marketing Contractor shall receive and process the recyclables in a commingled state.

Alternative B
Two Stream (Fibre & Containers): Recyclables are collected and delivered to the processing facility in two fractions. The Collection Contractor shall sort the commingled recyclables at the curbside, placing the fibre in one compartment of the collection vehicle and the containers in the other. The Processing and Marketing Contractor shall receive and process recyclable materials as a separate Fibre fraction, and a separate Containers fraction.

Alternative C
Two Stream (Recyclables & Glass): Recyclables are collected and delivered to the processing facility in two fractions. The Collection Contractor shall sort the commingled recyclables at the curbside, placing the glass in one compartment of the collection vehicle and the remaining recyclables in the other. The Processing and Marketing Contractor shall receive and process recyclable materials as a separate Glass fraction, and a separate fraction comprised of fibre and containers less glass.

Alternative D
Three Stream (Fibre, Containers & Glass): Recyclables are collected and delivered to the processing facility in three fractions. The Collection Contractor shall sort the commingled recyclables at the curbside, placing the fibre in one compartment of the collection vehicle, the containers in another compartment and the glass in the remaining compartment. The Processing and Marketing Contractor shall receive and process recyclables materials as a separate Fibre fraction, a separate Containers fraction and a separate Glass fraction.

The total price is subject to an annual inflationary adjustment estimated to be 2.5% per year in accordance with clause E7. Unit Price Adjustment included in the tender documents.

The total pre-tender estimate for this work is $6,608,815.00.

Staff of the Solid Waste Division of the Water and Waste Department are satisfied that the low tenderer has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The low Bidder has satisfactorily carried out previous works of a similar nature.

The Manager of Materials Management Division has advised that a bid bond and an agreement to bond, which have been certified by the Legal Services Division, accompanied each of the tender submissions.

The tender recommended for acceptance is the low bid meeting all the requirements of the specifications. This offer is open for acceptance until November 21, 2002.

The award of a multi-year contract must be authorized by Council in accordance with Section 8(e) of the City of Winnipeg Purchasing Policy, which states that a recommendation shall be forwarded to Council for funding the difference between budgetary provision and the consideration for the proposed contract.

The Financial Impact Statement is outlined on Attachment "A", and has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

The Standing Policy Committee on Public Works recommends:

I. That a seven (7) year contract from 2003 (no sooner than March 1 and no later than December 1) to 2010 for Alternative A of the Collection portion of Tender No. 162-2002 be awarded to International Paper Industries Ltd., the lowest evaluated responsive bidder meeting the specifications in the amount of $3,051,700.00/year, plus GST.

II. That a fourteen (14) year contract from 2003 (no sooner than March 1 and no later than December 1) to 2017 for Alternative A of the Processing and Marketing portion of Tender No. 162-2002 be awarded to International Paper Industries Ltd., the lowest evaluated responsive bidder meeting the specifications in the discounted amount of $1,448,375.50/year, plus GST.

III. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing, including the execution of any documents related thereto.

Attachment "A" referred to in Clause 8 of the Report of the Standing Policy Committee on Public Works dated September 10, 2002

Financial Impact Statement

Date: September 3, 2002

Project Name: **First Year of Program** **2003**

COLLECTION, PROCESSING AND MARKETING OF RECYCLABLES - TENDER NO. 162-2002

	2003	2004	2005	2006	2007
~~Capital~~					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
~~Current Expenditures/Revenues~~					
Direct Costs	$ 3,982,475	$ 4,875,534	$ 4,993,825	$ 5,115,074	$ 5,239,352
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 3,982,475	$ 4,875,534	$ 4,993,825	$ 5,115,074	$ 5,239,352
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 3,982,475	$ 4,875,534	$ 4,993,825	$ 5,115,074	$ 5,239,352

Additional Comments: Funds for Single Family Blue Box Collection are included every year in the Annual Current Estimates, Account No. 45 55210206 200203 and for Processing and Marketing Recyclables, Account No. 45 55210215 200203. The total price is subject to an annual inflationary adjustment estimated to be 2.5% per year in accordance with clause E7. UNIT PRICE ADJUSTMENT included in the tender documents.

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Moira L. Geer C.A.
Manager of Finance & Administration