

Waste Management – Award of Contract

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| Date: | April 29, 2019 |
| To: | Toronto Public Library Board |
| From: | City Librarian |

SUMMARY

The purpose of this report is to seek Toronto Public Library Board approval to award a contract for waste management and recycling pick up at twelve (12) library locations as per the Toronto Public Library's (TPL) Request for Quotation (RFQ).

It is recommended that the contract for waste management and recycling be awarded to Waste Management of Canada Corporation as the lowest bidder having met all mandatory requirements. The total value of the contract over five (5) years is up to \$544,586, excluding Harmonized Sales Tax (HST). The award is for a three (3) year term, from June 1, 2019 to May 31, 2022 with the option to extend the contract for two (2) additional one (1) year periods upon satisfactory vendor performance and at the sole discretion of the City Librarian.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. awards a contract for waste management services to Waste Management of Canada Corporation, being the lowest compliant bid, for a value of up to \$544,586, which includes a contingency of \$25,932, excluding Harmonized Sales Tax (HST), based on the terms and conditions set out in the RFQ and in a form satisfactory to the City Solicitor, which is comprised of:
 - a. a three-year term for a total value of approximately \$313,862, comprised of:
 - i. \$100,545 for the period June 1, 2019 to May 31, 2020;
 - ii. \$104,567 for the period June 1, 2020 to May 31, 2021;
 - iii. \$108,750 for the period June 1, 2021 to May 31, 2022; and
 - b. two additional one-year renewals with Waste Management of Canada Corporation, subject to satisfactory performance and at the sole discretion of the City Librarian, with approximate pricing as follows:
 - i. \$113,100 for the period June 1, 2022 to May 31, 2023;
 - ii. \$117,624 for the period June 1, 2023 to May 31, 2024.

FINANCIAL IMPACT

The total cost of the award of the Waste Management services contract over five years is up to \$544,586, which includes a contingency of \$25,932, excluding HST. The approximate cost for each year of the award is as follows:

- Year 1 - \$100,545 (June 1, 2019 to May 31, 2020)
- Year 2 - \$104,567 (June 1, 2020 to May 31, 2021)
- Year 3 - \$108,750 (June 1, 2021 to May 31, 2022).

The approximate cost of the proposed extensions to the contract, excluding HST are as follows:

- Year 1 - \$113,100 (June 1, 2022 to May 31, 2023)
- Year 2 - \$117,624 (June 1, 2023 to May 31, 2024).

The cost for the first year of the contract represents an increase of \$65,999, and the 2019 operating budget impact of \$38,499 can be accommodated in the approved budget. Future year costs will be included in the 2020 operating budget submission.

Awards with a value over \$500,000 require Board approval.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

COMMENTS

TPL requires external waste management and recycling pick up services at 12 library locations. The City of Toronto waste management division picks up garbage and recycling at the remaining 88 branches.

In November 2018 TPL released an RFQ for waste management and recycling services. It is recommended that the contract be awarded to Waste Management of Canada Corporation having submitted the lowest compliant bid. The value of the commitment over five years is estimated to be up to \$544,586 and requires Library Board approval.

The scope of service over the period of the contract may change due to branch renovations and service needs. These requirements may require modification to the contract resulting in adjustments to the services and value of the contract.

The increase in the annual value of the award is approximately three times the cost of the current contract. The increase can be attributed to three factors:

- The cost to separate out co-mingled recycling has significantly increased in the past year due to changes in the marketplace. The vendor is now responsible for sorting all recycling before it can be sold.
- There has been a substantial increase in the volume of recycling materials at the Toronto Reference Library (TRL). This has resulted in an increase in the number of times recycling is picked up at TRL.

- The cost of recycling at the North York Central Library has increased because of the difficulty of retrieving materials from the lower level garage. The height of the ramp prevents the recycling truck from accessing the garage and the vendor must first move the recycling bins to the upper level.

Library staff will monitor the implementation of the new contract and work to identify strategies to reduce the amount of recycling in order to lower the cost.

CONTACT

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SIGNATURE

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