

NO: R198

COUNCIL DATE: October 2, 2017

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 27, 2017**

FROM: **General Manager, Engineering** FILE: **2320-20 (Waste Carts)**

SUBJECT: **Award of Contract 1220-030-2017-039**
Manufacture and Supply of Waste Carts Contract

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract 1220-030-2017-039 to Toter Inc. for the manufacturing and supply of waste carts for a three-year term, with two additional one-year terms at the City's option, at an annual cost of \$444,763.20, including GST;
2. Set the annual expenditure authorization limit for Contract 1220-030-2017-039 at \$490,000.00, including GST and contingency; and
3. Authorize the General Manager, Engineering to execute Contract 1220-030-2017-039.

BACKGROUND

In October 2012, the City introduced the Rethink Waste Collection Program to 100,000 single-family household customers via an automated cart-based system with weekly organic waste collection and alternating biweekly collection of garbage and recyclables.

Approximately 300,000 waste carts were distributed to the City's waste collection customers prior to the commencement of the waste collection program. Each household received one cart each for garbage, recycling and organic waste. Beyond the initial City-wide disbursement of carts, the City required an on-going supply of carts for the following reasons:

1. Annual average increase of approximately 1,500 new households in the residential curbside collection customer base with each new household requiring three waste carts, one for each of the three collection streams;
2. Implementation of voluntary participation in weekly organic waste collection services at apartment buildings across the City;
3. Approximately 4,000 additional carts ordered by households for organics and/or recyclables; and
4. Replacement of carts that are damaged.

The carts that the City had purchased included a ten-year warranty based on regular use. In practice and based on our initial review of these carts in 2012, the service life of these carts is approximately 15 to 20 years based on normal use. Following the first five years of use in Surrey, the City has replaced approximately 755 (0.23%) carts based on faulty manufacturing. Otherwise, approximately 1,145 (0.35%) of the carts have been replaced where it was found that failure to the cart body or parts was caused by misuse either by the customer or by the waste collection contractor.

The initial Manufacture and Supply of Waste Carts Contract ended on April 5, 2016. Since then, the City's inventory of new carts and related replacement parts has reached a critical threshold where it requires replenishment.

DISCUSSION

In June 2017, the City issued a Request for Proposal ("RFP") for the Manufacture and Supply of Waste Carts Contract on the City's website and BC Bid. The RFP specified minimum requirements to ensure that the carts supplied by the successful proponent support the City's existing waste cart collection program and cart management operations as follows:

1. The City currently provides options to residents to select carts from five different sizes that are most suitable for their household. Alternatively, residents can opt to receive the City's recommended carts based on the household dwelling type. The current size of carts include 80L, 120L, 180L, 240L and 360L.
2. The City currently has approximately 330,000 waste carts in service and, as noted previously in this report, the expected service life of the cart body is approximately 15 to 20 years. All of the component parts such as wheels, hinges, fasteners and lids are interchangeable, ensuring that the carts can be repaired and minimizing the need to replace the entire cart. An added benefit of an interchangeable lid includes the flexibility to switch between waste streams and existing inventory.
3. All of the waste carts can be stacked fully assembled. This option increases the ability of City crews to be more efficient and productive, resulting in a higher number of carts delivered throughout the day. Stacking and storing fully assembled carts also reduces the inventory space requirements.

EVALUATION

Based on the above criteria, the City received only one response to the RFP from our previous supplier Toter Inc. Their respective cost proposal to perform the work is reflected in the table below, which will include the delivery of approximately 6,500 waste carts on an annual basis.

Contractor	Total Annual Amount (including GST)	Corrected Amount (including GST)
Toter Inc.	\$444,763.20	No Change

The evaluation included consideration of Toter Inc.'s experience, reputation, resources, technical and financial review, and other comments. This process is consistent with the City's competitive procurement policy.

Staff reviewed the proposal for accuracy and completeness. No errors were found. Toter Inc. has been the incumbent supplier of waste carts to the City since the commencement of the Rethink Waste Collection program in 2012. Toter Inc.'s past performance on similar work has been satisfactory.

The RFP requires \$250,000 each for a Performance and Labour & Materials Payment Bond, which will be submitted by Toter Inc. within ten (10) days of notice of award. Toter Inc. has no outstanding legal claims against the City.

Based on the above, it is recommended that Toter Inc. be awarded Contract 1220-030-2017-039.

Unit Prices

Toter Inc.'s unit prices for this contract have increased for each cart size by 11% compared to their previous (2012 to 2016) contract prices. The increase in price is mainly attributed to an increase in labour, freight, production and manufacturing costs since the previous contract. A similar approach to that of the previous contract will be used to adjust the unit price, which will be based on the actual resin prices at the time of cart orders based on market prices.

Based on the above, it is recommended that the City award the Manufacture and Supply of Waste Carts Contract to Toter Inc.

Term

The agreement is for a three-year term with two one-year extension options available to the City at its sole discretion.

SUSTAINABILITY CONSIDERATIONS

The work of this contract supports the objectives of the City's Sustainability Charter. In particular, this project relates to the Sustainability Charter theme of Infrastructure. Specifically, the acquisition supports the following Desired Outcomes:

- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems;
- Materials and Waste DO20: Materials and resources are used efficiently, sourced locally where feasible, and repurposed or recycled at the end of their life cycle;
- All Infrastructure SD1: Proactively manage community assets to maintain them over the long-term in a state of good repair; and
- Materials and Waste SD14: Provide tools and educational resources that support residents and businesses to reduce consumption.

FUNDING

Funding for the supply of waste carts is available in the Solid Waste Budget.

Fraser Smith, P.Eng., MBA
General Manager, Engineering

RAC/HJ/cc