



Report to: General Committee

Meeting Date: December 7, 2020

SUBJECT: Recycling Depot Staffing Contract Extension
PREPARED BY: Claudia Marsales, Senior Manager, Waste Management &
Environmental Management, Ext. 3560
Tony Casale, Senior Construction Buyer, Ext. 3190

RECOMMENDATION:

1. THAT the report entitled “Recycling Depot Staffing Contract Extension” be received;
2. THAT the service Contract for Recycling Depot Staffing be awarded to The Recycle People Corporation, for two years from January 1, 2021 to December 31, 2022 at an estimated cost of \$378,145.24 inclusive of HST;
 - Year 1 (2021) \$187,510.04
 - Year 2 (2022) \$190,635.20
 - Total (2 years) \$378,145.24
3. THAT the 2021 Waste Management Recycling Depot Staffing Operating budget be increased from \$168,134.00 to \$187,510.04. The budget shortfall in the amount of \$19,376.04 (\$187,510.04 - \$168,134.00) be funded through reallocation of the existing Waste Management Operating budget, subject to Council approval of the 2021 Operating budget;
4. THAT the City’s tendering process be waived in accordance with Purchasing By-Law 2017-8, Part II, Section 11.1,(c), Non Competitive Procurement, “when the extension of an existing Contract would prove more cost-effective or beneficial; and
5. AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain Council approval to extend the contract for Recycling Depot Staffing for two years from January 1, 2021 to December 31, 2022.

BACKGROUND:

In 2017-18, Waste Management Staff conducted an extensive operational and customer service review of Markham’s four recycling depots located at Thornhill, Markham Village, Unionville and Milliken, which resulted in recommending a fully outsourced business model to improve cost efficiencies and customer service.

In 2019, Staff awarded the contract for recycling depot staffing to The Recycle People Corporation for twenty (20) months from May 1, 2019 to December 31, 2020. Staff successfully negotiated a decrease of the proposed hourly rate provided by The Recycle People Corporation from \$25.44/hour to \$21.37/hour. The Recycle People Corporation

were retained as they had previously provided temporary staffing for the recycling depots, demonstrated a strong understanding of the City's requirements and were already familiar with the expected service levels. The Recycle People Corporation also exhibited full comprehension of the City's Health & Safety policies and procedures and continue to hold an exemplary safety record. At the time, Staff also conducted a cost benefit analysis, which supported the recommendation.

DISCUSSION:

The recycling depots are extremely popular and offer services both during the week and on weekends. The scope of work provided by The Recycle People Corporation includes:

- Receiving recyclables, textiles and household goods from City residents;
- Selling and replacing green bins, blue bins, kitchen catchers and recycling bags;
- Reporting of all sales, visitor data, supply requests, equipment issues and any health & safety-related issues;
- Basic site maintenance e.g. shoveling, sweeping, salting, tidying, organizing, etc.;
- Scheduling, managing and payroll of Staff for the operation of the four recycling depots

Staffing the recycling depots is quite challenging, as work is often limited to part time hours (shift lengths during the Fall/Winter are 6-7 hours), facilities lack amenities and attendants are required to work days, evenings and on weekends.

The Recycle People Corporation have been providing excellent service and have demonstrated a thorough understanding of the City's requirements. The services under this contract are specific in nature and any alternative service providers would require additional time and resources to become fully acquainted with the prescribed work, which could potentially result in higher costs to the City.

Staff entered into negotiations with The Recycle People Corporation regarding a potential contract extension. The initial offer from the incumbent was an hourly rate of \$25.24 (Incl. of HST), which represented an increase of 15% over the current rate. Staff negotiated a proposed two-year contract extension as follows:

Year	Hourly Rate (Incl. of HST)	Increase to 2020 Budget (%)
Year 1 (2021)	\$24.42	11.5%
Year 2 (2022)	\$24.83	13.3%

It is difficult to compare rates with other City contracts, however, contracts which have a predominant labour component (security services and adult school crossing guards), range from \$22.95 to \$34.09 per hour respectively.

Staff believe the extension of the contract will provide value to the City, competitive rates, and continuity of excellent service for Markham residents. Moreover, a two-year contract extension aligns with the draft blue box program transition plan proposed by the Ministry of the Environment, Conservation and Parks, which will transfer responsibility to producers in 2023.

FINANCIAL CONSIDERATIONS:

Account Name	Account #	Budget Amount	Cost of Award	Budget Remaining / (Shortfall)
Markham Village Recycling Depot	770-470-5399	78,766.00	87,843.12	(9,077.12)
Unionville Recycling Depot	770-471-5399	37,587.00	41,918.59	(4,331.59)
Milliken Mills Recycling Depot	770-472-5399	6,834.00	7,621.56	(787.56)
Thornhill Recycling Depot	770-473-5399	44,947.00	50,126.77	(5,179.77)
Totals:		\$168,134.00	\$187,510.04	*\$19,376.04

* The budget shortfall of \$19,376.04 will be funded through reallocation of the existing Waste Management Operating budget.

OPERATING BUDGET AND LIFE CYCLE IMPACT

The 2020 Waste Management Recycling Depot Staffing Operating budget of \$168,134.00 will increase to \$187,510.04 in 2021. The Operating budget shortfall of \$19,376.04 (\$187,510.04 - \$168,134.00) will be funded through reallocation of the existing Waste Management Operating budget. The reallocation will be included as part of the 2021 Operating budget subject to Council approval of the 2021 Operating budget.

HUMAN RESOURCES CONSIDERATIONS

N/A

ALIGNMENT WITH STRATEGIC PRIORITIES:

N/A

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance Department has been consulted and their comments have been incorporated.

RECOMMENDED BY:

Claudia Marsales
Senior Manager,
Waste Management & Environmental
Management

Phoebe Fu
Director, Environmental Services