



Report to: General Committee

Meeting Date: October 24, 2023

SUBJECT: Extension of Public Space Waste Recycling Receptacles System and Advertising Revenue Program

PREPARED BY: Claudia Marsales, Sr. Manager, Waste & Environmental Management
Alex Moore, Sr. Manager, Procurement & Accounts Payable

RECOMMENDATION:

- 1) THAT the Report entitled “Extension of Public Space Waste Recycling Receptacles System and Advertising Revenue Program” be received; and
- 2) THAT Council approve a five (5) year contract extension (2024-2028) with Bench Press Ltd., carrying on business as Creative Outdoor Advertising, and an option for the City to extend the contract for an additional period of five (5) years (2029-2033); and
- 3) THAT the Director of Environmental Services and Senior Manager of Procurement & Accounts Payable be authorized to extend the contract with Creative Outdoor Advertising for an additional period of five (5) years (2029-2033), subject to the satisfactory completion of the initial five (5) year contract term (2024-2028); and
- 4) THAT the Commissioner, Community Services be authorized to execute the contract(s) with Creative Outdoor Advertising for the five (5) year contract extension (2024-2028) and the additional five (5) year contract extension (2029-2033), as applicable, in a form satisfactory to the City Solicitor; and
- 5) THAT the expected incremental annual revenue from the contract(s) be included as part of the requested Waste & Environmental Management Operating Budget;
- 6) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain approval to extend contract 035-Q-12 for the Public Space Waste Recycling Receptacles System and Advertising Program with Bench Press Ltd., carrying on business as Creative Outdoor Advertising (“COA”).

Staff further recommends:

That the tendering process be waived in accordance with Purchasing By-Law 2017-8, Part II, Section 11.1 Non Competitive Procurement, item (c) which states, “when the extension of an existing Contract would prove more cost-effective or beneficial” and item (h) which states “where it is necessary or in the best interests of the City to acquire non-standard items from a preferred supplier or from a supplier who has a proven track record with the City in terms of pricing, quality and service.”

BACKGROUND:

In order to maintain a clean and litter-free community, the City released Request for Proposal (RFP) 035-Q-12 in 2012 for the provision and maintenance of appealing and accessible public space recycling and waste receptacles. The contract was designed to achieve a higher service level for litter control at no additional cost to the City, as well as generate revenue through the sale of dedicated advertising space on the recycling and waste receptacles.

The RFP was awarded to the highest ranked bidder, COA, for a period of five (5) years with an option to extend the contract for an additional five (5) years, subject to satisfactory completion of the initial contract term. In 2018, Staff exercised the option to extend the contract for an additional five (5) years at the same terms and conditions, which is set to finally expire on December 31, 2023.



*Public space waste and recycling receptacle
provided by Creative Outdoor Advertising*

OPTIONS / DISCUSSION:

Earlier this year, Staff performed a market review to find other potential vendors for this service, however no alternative options were identified. Staff have determined that this business model has grown increasingly niche over the past decade. Only two bids were received for RFP 035-Q-12, and the successful bidder (COA) has since acquired the second ranked bidder (Eco-Media).

As COA has been extremely responsive, collaborative and provided excellent service over the past 10 years and there are no other vendors to perform this work, Staff initiated discussions with COA to explore a contract extension. COA is agreeable and the proposed

extension term matches the original contract term, i.e., five (5) years with an option to extend for an additional five (5) years based on satisfactory performance.

COA's core business for almost 40 years has been the successful implementation of advertising programs through public amenities. They operate in more than 300 towns and cities throughout North America, with over 20,000 units in place. COA is currently York Region Transit/Viva's provider for public space recycling and waste receptacles.

FINANCIAL CONSIDERATIONS:

In order to maximize revenue opportunities and to account for growth and development since the original contract award in 2012, both parties committed resources to review the current receptacle allocation across the City during negotiations.

Starting on January 1, 2024:

1. 29 receptacles will be added to the contract (from 247 to 276). Out of the 276 receptacles, 256 are classified as "revenue generating" and 20 are "non-revenue generating" designated for City-use.
2. The guaranteed unit revenue will increase by 5% in Year 1 and then an additional 5% in Year 6.

Compared to the current contract term, the total guaranteed annual revenue will increase by \$33,073.27 (from current budget of \$90,000.00 to \$123,073.27) in Years 1-5 and a further \$6,158.35 (from 123,073.27 to \$129,231.62) in Years 6-10, subject to future updates to receptacle allocation. The increase in revenue will be included in the requested annual Waste & Environmental Management Operating Budget. The revenue from the contract will be received monthly.

There is no incremental impact to Life Cycle as the City does not own the receptacles.

CONCLUSION:

Staff recommend the extension of contract 035-Q-12 for the Public Space Waste Recycling Receptacles System and Advertising Revenue Program with Creative Outdoor Advertising for five (5) years, commencing January 1, 2024, including the option to extend for an additional five (5) years, subject to the satisfactory completion of the initial contract term.

LEGAL CONSIDERATIONS:

The City is subject to the following trade agreements, which apply to public sector procurements above a certain dollar threshold: the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Canadian Free Trade Agreement (CFTA), and the Ontario-Quebec Trade and Cooperation Agreement (OQTCA). The recommended contract extension complies with the trade agreements.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Continuation of the Public Space Waste Recycling Receptacles System and Advertising Program aligns with multiple goals set out as part of *Building Markham's Future Together Strategic Plan* including *Safe, Sustainable and Complete Community* as well as *Stewardship of Money & Resources*.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Operations, Financial Services and Legal Services Departments have been consulted in preparation of this report.

RECOMMENDED BY:

Eddy Wu
Director, Environmental Services

Morgan Jones
Commissioner, Community Services