



Report to: General Committee

Date Report Authored: March 6, 2013

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**SUBJECT:** Award of Request for Proposal CFRP 2012-10 Supply and Delivery of Curbside Green Bins (York Region Buyers Cooperative)

**PREPARED BY:** Shayne Hartin, Supervisor, Waste Management, ext. 3710  
Michelle Zhu, Senior Buyer / Analyst, Purchasing, ext. 2025

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**RECOMMENDATION:**

- 1) THAT the report “Award of Request for Proposal CFRP 2012-10 Supply and Delivery of Curbside Green Bins (York Region Buyers Cooperative) be received;
- 2) AND THAT Request for Proposal CFRP 2012-10 Supply and Delivery of Curbside Green Bins (York Region Buyers Cooperative) be awarded to the highest ranked and lowest priced Bidder, Orbis Canada Ltd. in their unit price of \$15.06 per bin (inclusive of HST) in the estimated annual amount of \$90,362.88;
- 3) AND THAT the award is for initial term of eight (8) months, from June 1, 2013 to February 1, 2014 in the amount of \$60,241.92 inclusive of HST;
- 4) AND THAT the Director of Environmental Services and Senior Manager of Purchasing & Accounts Payable be authorized to extend the contract for four (4) additional one (1) year terms at annual price increase to a maximum of five percent (5%) effective 2014 as outlined below, subject to Council approval of the annual budgets;
  - 2014 - \$90,362.88
  - 2015 - \$90,362.88
  - 2016 - \$90,362.88
  - 2017 - \$90,362.88
- 5) AND THAT the award be funded from the Waste Management Operating account 770-773-4132;
- 6) AND THAT the 2014 to 2017 purchase orders be adjusted for growth, subject to Council approval of the respective years’ budgets;
- 7) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain Council approval to award the contract for Supply and Delivery of Curbside Green Bins.

**BACKGROUND:**

Curbside Green Bins are purchased for resale to Markham residents on a cost recovery basis. They are sold at Markham's four Community Recycling Depots and at Markham's four major Community Centres. The green bins are also delivered to new residential developments at occupancy through the developer. The green bins are sold for \$20.50 to residents and the costs related to new residential development are charged to the Subdivision agreement.

Green bin providers have a limited supplier base with only two suppliers in Ontario able to meet our requirements (Cart Marketing Services and Orbis, "formerly Norseman Plastic").

**OPTIONS/ DISCUSSION:**

In 2011, Markham issued a quotation to the market for the Supply and Delivery of Green Bins for a one (1) year period ending December 31, 2012. The quotation was awarded to the lowest priced bidder Cart Marketing Services and covered the 2012 requirements. In December 2012, staff reviewed options for 2013 and subsequent year's requirements and what procurement process would be undertaken.

Due to the time period and requirements for additional Green Bins in the 1<sup>st</sup> quarter of 2013 and since York Region Buyers Cooperative had bid in the marketplace, Staff elected to extend the contract with Cart Marketing Services for a three (3) month period from January 1, 2013 to March 31, 2013 in order for Staff to determine our best options going forward in 2013.

Included in the Staff Award Report for extension, the following three (3) options had been considered:

**Option #1.** Release an RFQ to the market for 2013 and subsequent years

**Option #2.** Directly negotiate with Cart Marketing Services and/or Orbis to obtain competitive pricing for 2013 and subsequent years

**Option #3.** Extend the existing contract following which the results of the York Region Buyers Cooperative would be available\*

\* York Region Buyers Cooperative went to the market for green bins which closed in the early 2013, the bid document it allowed other York Region municipalities to utilize pricing under the contract at a later date. Staff recommended waiting for the closing of the York Region Buyers Cooperative quotation to determine the best cost option moving forward in 2013. This would provide Markham with a bench mark for negotiations if so desired.

Staff recommends proceeding with Option #3 for the following reasons:

- Competitive procurement process
- Piggyback Clause

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**Competitive procurement process**

The Town of Newmarket, on behalf of the York Purchasing Co-Operative, issued a Request for Proposal (CFRP 2012-10) for various recycle units which included the Supply and Delivery of Curbside Green Bins with the following agencies participating:

- Town of Newmarket
- Town of Georgina
- Town of Whitchurch-Stouffville
- Town of Aurora
- Town of East Gwillimbury
- Township of King
- York Catholic District School Board

The evaluation was based on pre-established evaluation criteria as listed in the Request for Proposal: 10% company profile and experience, 30% sample proposed, 30% specifications, features, shipping, ordering procedures, warranty and laboratory testing reports, 10% references and 20% price, totaling 100%.

The Request for Proposal received two (2) submissions (Cart Marketing Services and Orbis Canada Ltd) with Orbis Canada Ltd. scoring the overall highest rating of 84% and providing the lowest priced green bin.

The York Region Buyers Cooperative awarded the contract to Orbis Canada Ltd at a bin price of \$15.06 (Inclusive of HST) which is lower than Markham's current contract price of \$15.11 (Inclusive of HST).

**Piggyback Clause**

Included within the York Region Buyers Cooperative was the following clause:

*Piggyback option is a form of intergovernmental cooperative procurement in which the owner (York Region Buyers Cooperative) may extend the pricing, terms and conditions of this contract to other Government entities, if agreed by the contractor (Orbis Canada Ltd).*

Orbis Canada Ltd has agreed to extend the pricing under the York Region Buyers Cooperative contract to the City of Markham.

**FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)**

The contract for the supply and delivery of green bins will be awarded to Orbis Canada Ltd. for one year from June 1, 2013 to February 1, 2014 in the amount of \$60,241.92 inclusive of HST, as illustrated in table 3 below.

The Director of Environmental Services and Senior Manager of Purchasing will be authorized to extend the contract for four (4) additional one (1) year terms at annual price increase to a maximum of five percent (5%) effective 2014, subject to Council approval of the annual budgets. The 2014 to 2017 purchase orders will be adjusted for growth and are subject to Council approval of the respective years' budget.

**Table 2: Financial Table (Inclusive of HST)**

			a	b	c=a-b	d	e=b+d
Account	Description	Budget	Budget Available	June 1 - December 31, 2013 Award Amount	2013 Budget Remaining	January 1 - 31, 2014 Award Amount*	Total Award Amount
770-773-4132	Green Bins	90,600	52,850	52,712	138	7,530	60,242

\* Subject to Council approval of the 2014 budget. The award is based on a usage of 4,000 units for an eight month period (June 1, 2013 – January 31, 2014).

Note: The contract includes an annual price increase to a maximum of five percent (5%) effective 2014 due to the fluctuations of the raw material called High Density Polyethylene ("HDPE") resin. The cost of this resin has increased by 7.7% from 2012 to 2013, with a mild increase forecasted for 2014. Annual price adjustments will be reviewed every January at contract anniversary of February 1 and be based on the HDPE Chemical Data index price escalation at a maximum five percent (5%).

#### **HUMAN RESOURCES CONSIDERATIONS**

Not applicable

#### **ALIGNMENT WITH STRATEGIC PRIORITIES:**


Providing residents with the necessary tools to participate in Markham's waste diversion programs is consistent with Markham's goal of managed growth, infrastructure management, and to create a better quality community.

#### **BUSINESS UNITS CONSULTED AND AFFECTED:**

The Legal Department will continue to collect the appropriate fees at the time of Subdivision Control Agreement approval.

#### **RECOMMENDED BY:**

17/05/2013

X 

Peter Loukes  
Director, Environmental Services

5/22/2013

X 

Brenda Librecz  
Commissioner, Community & Fire Services