

## Report to Civic Works Committee

**To:** Chair and Members  
Civic Works Committee

**From:** Kelly Scherr, P.Eng., MBA, FEC  
Deputy City Manager, Environment & Infrastructure

**Subject:** Contract Amendment RFP 19-02 – Recycling Collection and  
Garbage and Yard Waste Collection in a Portion of London  
with Miller Waste Systems Inc.

**Date:** February 21, 2024

## Recommendation

That, on the recommendation of the Deputy City Manager, Environment & Infrastructure, the following actions **BE TAKEN**:

- a) Approval **BE GIVEN** to exercise the contract amendment provisions of section 20.3e of the Procurement of Goods and Services Policy for RFP 19-02 Recycling Collection Garbage & Yard Waste Collection for a cost exceeding the threshold limits outlined in section 8.5 (a)(ii) and Schedule A for collection of Green Bin materials;
- b) The price submitted by Miller Waste Systems Inc., to collect Green Bin materials in addition to recycling, garbage and yard waste for an annual cost of approximately \$395,000, **BE ACCEPTED**, noting that the net annual contract price increase is approximately \$231,000 when cost reduction associated with reduced frequency of garbage collection is included;
- c) Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with the contract referenced in a) above, and
- d) The Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required to give effect to these recommendations.

## Executive Summary

This report recommends amending the existing amended contract the City of London (City) has with Miller Waste Systems Inc. (Miller Waste) for RFP 19-02 to provide Green Bin material collection services in the south-west portion of the city, including Lambeth, Riverbend, and Settlement Trail (Contract Collection Area). There are cost and collection program operational efficiencies due to economies of scale and existing service provision that are to the benefit of the City in proceeding with this contract amendment.

The annual cost of the contract amendment of approximately \$395,000 requires Council approval in accordance with the Procurement of Goods and Services Policy. As part of RFP 19-02, Miller Waste submitted a price to collect garbage on a biweekly basis which is a lower price than the price to collect garbage 42 times per year. Therefore, the net annual contract cost increase is approximately \$231,000.

## Linkage to the Corporate Strategic Plan

City Council continues to recognize the importance of waste management and the need for a more sustainable and resilient city in the development of its 2023-2027 Strategic Plan for the City of London. Specifically, London's efforts in waste management address the two following areas of focus: Climate Action and Sustainable Growth and Well-Run City. The CEAP was approved by Council in April 2022 following the declaration of a climate emergency in 2019. The CEAP's Area of Focus 5, Transforming Consumption and Waste as Part of the Circular Economy.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

Some relevant reports that can be found at [www.london.ca](http://www.london.ca) under Council and Committees meetings include:

- Contract Amendment: RFP 19-02 Recycling Collection, Garbage and Yard Waste Collection (January 9, 2024, meeting of the Civic Works Committee (CWC), Item #2.5)
- Award of Contract (Request for Proposals 19-02) – Recycling Collection (City-Wide) and Garbage and Yard Waste Collection in a Portion of London (August 12, 2019, meeting of CWC, Item #2.4)

#### 1.2 Background

Miller Waste was the successful proponent of RFP 19-02 and provides Blue Box recycling collection services city wide and garbage and yard waste collection services in the Contract Collection Area.

The contract for RFP 19-02 with Miller Waste was recently approved by Committee and Council to be amended to align with the agreement the City has with Circular Materials Ontario (CMO) to continue to provide collection of eligible Blue Box materials until the end of the Blue Box Program transition period in 2025.

The City started a source separated Green Bin collection and composting program (Green Bin program) in January 2024. This program requires a portion of the waste stream (compostable materials designated to be included in the City's Green Bin program) that was previously collected as garbage to be collected and managed separately. Implementation of the Green Bin program requires amendment of the existing contract the City has with Miller Waste to provide the additional services to collect Green Bin materials separately in the Contract Collection Area.

### 2.0 Discussion and Considerations

#### 2.1 Gross and Net Contract Amendment Price

Miller Waste at the request of City staff has provided a price per stop (location collected) to complete this additional collection work, in the Contract Collection Area. The estimated annual cost based on the current number of stops to collect per year is approximately \$395,000. As part of RFP 19-02, Miller Waste submitted a price to collect garbage on a biweekly basis which is a lower price than the price to collect garbage 42 times per year. The net annual contract cost increase is approximately \$231,000 (Table 1).

**Table 1: Estimated Net Annual Contract Increase**

Estimated annual cost to collect Green Bin Materials	\$395,000
Estimated annual cost reduction to collect garbage less frequently	(\$164,000)
Estimated net annual contract increase	\$231,000

The net increase of \$231,000 represents a greater than 3% increase in the original contract cost. The Procurement of Goods and Services Policy indicates that a Deputy City Manager can amend a contract by an amount "not exceeding 3% of original contract value". Because this amendment exceeds the threshold, a staff report to Council is required.

## 2.2 Rationale for Amendment

RFP 19-02 was released and awarded in 2019. At that time a price to provide the services to collect Green Bin materials in the Collection Contract Area could not be requested as the details such as, type of Green Bin, materials to be included, processing location and frequency of collection of the Green Bin program had not been finalized. These details were finalized at different times in 2023 with the last approval provided in August 2023.

There are significant advantages for the City to have Miller Waste continue to complete the additional work required to collect Green Bin materials in the Contract Collection Area. Miller Waste:

- Already collects Garbage and Yard Waste in this area, resulting in efficiencies and cost reduction through economies of scale;
- Is experienced in Green Bin collection. They collect Green Bin materials in a number of Ontario municipalities and have the necessary operational and customer service experience;
- Avoids duplication of management and administration systems;
- Has the ability to respond to resident concerns about Green Bin and/or biweekly garbage pickup which is often the case during program startup and program changes;
- Has some existing equipment that was leveraged and re-deployed, reducing the need for some additional equipment and staff resources to provide the services required to collect Green Bin materials; and
- Has existing resources that can be used to address external pressures to provide the service such as Green Bin program participation rates, seasonal and holiday volume fluctuations, and inclement weather.

Noting the cost and efficiency advantages listed above, City staff recommend finalizing the price provided by Miller Waste to collect Green Bin materials in the Collection Contract Area.

## 2.3 Procurement Process

RFP 19-02 for Recycling Collection, Garbage & Yard Waste Collection was issued May 6, 2019. Three (3) proposals were received, and Miller Waste was the successful proponent. The original contract was amended in January 2024 to align with the agreement with Circular Materials Ontario (CMO).

This amendment report requests a net increase of \$231,000 to the amended contract, which represents a greater than 3% increase in the original contract cost. Section 20.3 e. ii. of the Procurement of Goods and Services Policy requires City Council to authorize contract amendments, as per 8.5 a, when the total amended value of the contract will exceed the Council approved source of financing by an amount greater than \$50,000 or 3% of original contract value, whichever is greater, and there are funds available.

## 3.0 Financial Impact/Considerations

The additional costs associated with the recommended amendment of the contract to collect Green Bin materials can be accommodated in the base budget of the proposed 2024-2027 Multi-Year Budget.

## Conclusion

This report recommends Council approve an amendment of the existing amended contract the City has with Miller Waste to collect Green Bin materials in the Collection Contract Area noting that, overall, there are financial and operational advantages to the City in proceeding with the contract amendment to have Miller Waste collect Green Bin

materials; and the costs associated with the amendment can be accommodated in the base budget of the 2024-2027 Multi-Year Budget.

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C: Ian Collins, Director, Financial Services  
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