

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: Exercise First Contract Renewal Option RFP 19-02 –
Recycling, 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 renewal provisions of section 20.2 of the Procurement of Goods and Services Policy for the first-year renewal option of RFP 19-02 Recycling Collection, Garbage and Yard Waste Collection, as amended to include Green Bin, for a cost exceeding the threshold limits outlined in section 8.5 (a)(vi) and Schedule A of the policy noted above;
- b) Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with the contract referenced above; and
- c) 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 execution of the first option year at the sole discretion of the City for the amended contract the City has with Miller Waste Systems Inc. (Miller Waste) for RFP 19-02. Miller Waste began the following services August 31, 2020:

- Blue Box curbside collection (city-wide)
- Multi-residential collection (city-wide)
- Garbage collection in Lambeth, Riverbend, Settlement Trail, south of the 401
- Yard Waste collection in the same areas
- Collection from EnviroDepots for Blue Box materials in carts
- Green Bin collection in the same areas (started January 15, 2024)

The criteria for renewal of option years as outlined in the Procurement of Goods and Services Policy have been met and the justification and rationale for the original award of contract remain consistent as at the time of award.

Miller Waste has provided similar services to the City since 2009 and has been an excellent service provider.

The annual cost of the existing amended contract is approximately \$10,996,000 and requires Council approval in accordance with the Procurement of Goods and Services Policy. The majority of the costs of this contract, approximately \$9,960,000 on an annual basis, are associated with collecting Blue Box materials and are recovered through the City's contract with Circular Materials Ontario (CMO).

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 Climate emergency Action Plan (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 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 a range of collection services both city-wide and in the Contract Collection Area.

The contract with Miller Waste was recently approved by Council to be amended to align with the agreement the City has with CMO to continue to provide collection of eligible Blue Box materials until the end of the Blue Box Program transition period in 2025. The total contract with Miller Waste, as amended, has an annual value of approximately \$10,996,000. The majority of the of the amended annual contract value (approximately \$9,960,000) for Miller Waste to provide collection of eligible Blue Box materials is recovered through the City's agreement with CMO.

Miller Waste began services August 31, 2020 as follows:

- Blue Box curbside collection (city-wide)
- Multi-residential collection (city-wide)
- Garbage collection in Lambeth, Riverbend, Settlement Trail, south of the 401
- Yard Waste collection in the same areas
- Collection from EnviroDepots for Blue box materials in carts
- Green Bin collection in the same areas (started January 15, 2024)

The initial term of the contract ends on August 30, 2024. The contract contains renewal options of four (4) additional (1) year periods at the sole discretion of the City. The annual contract value requires Committee and Council to approve renewal options in accordance with the Procurement of Goods and Services Policy.

2.0 Discussion and Considerations

The initial term of the amended contract ends on August 30, 2024. Four (4), one (1) year renewal options at the sole discretion of the City are available, with each renewal requiring Council approval:

- September 1, 2024 to August 30, 2025
- September 1, 2025 to August 30, 2026
- September 1, 2026 to August 30, 2027
- September 1, 2027 to August 30, 2028

The annual value of the amended contract for RFP 19-02 is approximately \$10,996,000.

City staff are recommending approval of the first renewal option in accordance with the following rationale:

Supplier Performance:

- Miller Waste has continued to meet or exceed the requirements of the different components of the contract;
- Miller Waste was approved by CMO to carry on as the Blue Box collection service provider for the City and was awarded a contract by CMO to operate both the receiving facility and processing facility as part of Blue Box transition and the subsequent individual producer responsibility system serving a portion of southwestern Ontario beginning January 1, 2026;
- Resident concerns that have been raised have been addressed in a timely manner and to the satisfaction of City staff;
- Miller Waste has accepted responsibility when concerns have been examined and has addressed items when further action is required;
- Miller Waste has proven to be a consistent and valued service provider to the City; and
- Miller Waste has provided recycling, garbage, and yard waste collections services to the City since 2009.

Contract Renewal Costs:

- The amended contract for RFP 19-02 contains annual inflationary price adjustments which will be carried through approved contract renewals;
- Recent amendments to the contract for changes of the scope of work to collect Blue Box materials during the Blue Box Program transition period and associated costs will be recovered through the City's agreement with CMO; and
- The remaining costs associated with the contract, as amended, can be accommodated in the base budget of the 2024-2027 Multi-Year Budget, noting that January 1, 2026 requires a major adjustment to the contract as most recycling services will not be administered by the City.

Review of initial award of RFP 19-02:

- The justification and rationale for the initial award of RFP 19-02 to Miller Waste is still relevant as noted in the staff report to the August 12, 2019 meeting of the Civic Works Committee

2.1 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 initial contract period as stated in the RFP was four (4) years with options to renew at the City's discretion for four (4) additional one (1) year periods. The initial contract period with Miller Waste began on August 31, 2020 with an expiry date of August 31, 2024.

With the initial contract period expiring in 2024, City staff are recommending exercising the first option year and renewing the Miller Waste contract as per Section 20.2 of the Procurement of Goods and Services Policy, where the Deputy City Manager, or delegate, may authorize Procurement and Supply to exercise such option, and the approval for contract renewals shall be governed by Section 8.5 a. vi. and Schedule "A" of the Policy:

8.5 The following body and persons shall have the respective approval authority as set out below (see summary in Schedule “A”). All dollar values are based on annual amounts and must be within pre-approved budgeted limits.

- a. Committee and City Council must approve the following awards:
 - vi. Contract renewals greater than \$6,000,000 (section 20.2);

Procurement and Supply has reviewed the rationale to exercise the first option year of the Miller Waste contract and supports the decision as it provides best value to the City of London.

3.0 Financial Impact/Considerations

The annual costs associated with this one year renewal can be accommodated in the base budget of the proposed 2024-2027 Multi-Year Budget. As previously noted, the majority of the of the annual costs is recovered through the City’s agreement with CMO for Blue Box services.

Conclusion

This report recommends Council approve the first renewal option of the existing amended contract the City has with Miller Waste for RFP 19-02 for the following summary reasons:

- Miller Waste has been an overall excellent service provider to the City during the initial term of the current amended contract and in previous work for the City;
- The criteria for execution of renewal options outlined in the Procurement of Goods and Services Policy have been met; and
- The costs for the entire amended contract can be accommodated in the base budget of the 2024-2027 Multi-Year Budget, noting that most of the costs associated collection of Blue Box materials are recovered through the agreement the City has with CMO.

Prepared by: **Mike Losee, B.Sc.**
Division Manager, Waste Management

Prepared and Submitted by: **Jay Stanford, M.A., M.P.A.**
Director, Climate Change, Environment & Waste Management

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

C: Ian Collins, Director, Financial Services
 Steve Mollon, Senior Manager, Procurement and Supply