

Report to Community & Protective Services Committee

To: Chair and Members
Community & Protective Services Committee

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

Subject: Approval of Single and Sole Source Agreements for
**Operations and Management of Three City of London
 EnviroDepots**

Date: February 18, 2025

Recommendation

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

- a) The pricing submitted by Try Recycling Inc., through a negotiated single source agreement in accordance with Section 14.4(d) and (e) of the Procurement of Goods and Services Policy as outlined below, **BE APPROVED**:
 - i. Provide Oxford Street and Clarke Road EnviroDepot Operations and Management services for a term of one (1) year and a one (1) year extension option at the sole discretion of the City starting January 1, 2025 at an estimated cost for the one-year term of approximately \$1,523,000; it being noted that the agreement contains a combination of fixed rate and unit rate prices and an inflation rate escalation provision for 2026; and
 - ii. A one-time estimated cost of approximately \$62,500 to alter the Try Recycling Inc. site located at 3544 Dingman Drive to safely and efficiently accept EnviroDepot customers while the City of London owned Clarke Road EnviroDepot is under construction in 2025; it being noted about half of the infrastructure improvements are transferable and will be used as part of Waste Management site operations once the Clarke Road EnviroDepot is re-opened.
- b) The pricing submitted by Try Recycling Inc. through a negotiated sole source agreement in accordance with Section 14.3(c) of the Procurement of Goods and Services Policy as outlined below **BE APPROVED**:
 - i. Provide Operations and Management Services and Continued use of the North End EnviroDepot located at Try Recycling, 21462 Clarke Rd. for a term of three (3) years with two (2), one (1) year extension options at the sole discretion of the City starting January 1, 2025 at an estimated cost for the first year of the term of approximately \$182,000: it being noted that the agreement contains a combination of fixed rate and unit rate prices and an inflation rate escalation provision for 2026 and beyond; and
 - ii. A one-time estimated cost of approximately \$38,000 to alter the North End EnviroDepot at 21462 Clarke Road to address site limitations and enhance safety features because of the anticipated customer visit growth over the term of the agreement.
- c) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these recommendations;
- d) the approval given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract, contract record and/or purchase order, whichever is determined appropriate; and
- e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

The City of London administers four multi-material EnviroDepots including operating the one located at the W12A Landfill. Try Recycling won competitive bids on three previous occasions through the RFP process (2002, 2009, 2016). Including these contracts they have been the City's EnviroDepot service provider since 2003, and they have demonstrated excellent customer service throughout this period.

Council provided direction to staff on September 25, 2024, with respect to negotiating single source and sole source agreements with Try Recycling and preparing a future Request for Proposals (RFP):

- negotiate a single source agreement for Oxford Street and Clarke Road EnviroDepots Operations and Management services for a term of one (1) and a one (1) year extension option at the sole discretion of the City starting January 1, 2025;
- negotiate a sole source agreement for the procurement of the continued use of the North End EnviroDepot located at Try Recycling, 21462 Clarke Rd. and for the Operations and Management services for a term of three years with two (2), one (1) year options at the sole discretion of the City starting January 1, 2025; and
- prepare an RFP for the EnviroDepot Operations and Management Program (Oxford Street and Clarke Road) starting January 1, 2026, for four (4) years plus three (3), one (1) year option years at the sole discretion of the City.

The key rationale for the recommendations in this report are:

1. Provide an update to Committee and Council on the results of the single and sole source negotiations with Try Recycling for operations and management services at three EnviroDepot locations.
2. Request approval from Committee and Council for the proposed single source agreement with Try Recycling for operations and management services of the Oxford Street and Clarke Road EnviroDepots for a one (1) year term and a one (1) year extension option as well as the one-time costs to alter the Try Recycling site located 3455 Dingman Drive to accept EnviroDepot customers while the Clarke Road Depot is closed for construction in 2025. The costs are estimated to be \$1,523,000 in 2025 plus a one-time site alteration cost of \$62,500 of which about half of the infrastructure improvements are transferable and will be used as part of Waste Management site operations once the Clarke Road EnviroDepot is re-opened.
3. Request approval from Committee and Council for the proposed single source agreement with Try Recycling for continued use and operations and management services of the North End EnviroDepot located at Try Recycling 2146 Clarke Rd as well as the one-time costs to alter this location to address current site limitations and accommodate observed and anticipated customer visit growth. The costs are estimated to be \$182,000 in 2025 plus one-time site alteration costs of \$38,000.

Financial Impact/Considerations

The budget to operate and maintain the EnviroDepots is contained within the adopted 2024-2027 Multi-Year Budget as cost increases, no matter what direction Council wished to take, were inevitable.

Linkage to the Corporate Strategic Plan

Municipal Council continues to recognize the importance of waste management and the need for a more sustainable and resilient city in the 2023-2027 Strategic Plan for the City of London. Specifically, London's efforts in waste management address the following Areas of Focus; Climate Action and Sustainable Growth and Well-Run City.

On April 12, 2022, Municipal Council approved the Climate Emergency Action Plan which includes Area of Focus 5, Transforming Consumption and Waste as Part of the Circular Economy. In addition, the 60% Waste Diversion Action Plan, including EnviroDepot services, addresses various aspects of climate change mitigation within the waste management services area including greenhouse gas (GHG) reduction.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Relevant reports that can be found at www.london.ca under Council meetings include:

- Operations and Management of Three City of London EnviroDepots (September 10, 2024, meeting of the Civic Works Committee (CWC), Item #2.2)
- Short-term Contract Amendment for EnviroDepot Operation and Management Program (October 4, 2022, meeting of the CWC, Item #2.3)
- RFP 16-37 EnviroDepot Operations and Management Program Contract Award (October 4, 2016 meeting of the CWC, Item #11)
- Update: Interim Waste Diversion Plan (2014-2015) and Additions for 2016 (February 2, 2016 meeting of the CWC), Item #15)
- RFP 15-42 Yard Material Composting, Irregular Bid, (November 3, 2015 meeting of the CWC, Item #14)

1.2 Council Direction

Council provided the following direction to staff on September 24, 2024, with respect to negotiating single source and sole source agreements with Try Recycling:

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions be taken with respect to the staff report, dated September 10, 2024, related to the Operations and Management of Three City of London EnviroDepots:

- a) Civic Administration BE DIRECTED to negotiate a single source agreement for the procurement of Oxford Street and Clarke Road EnviroDepots Operations and Management services as per Section 14.4(d) and (e) of the Procurement of Goods and Services Policy with Try Recycling Inc. for a term of one (1) and a one (1) year extension option at the sole discretion of the City starting January 1, 2025, it being noted that the award and final contract will be subject to approval by Council;
- b) Civic Administration BE DIRECTED to negotiate a sole source agreement for the procurement of the continued use of the North End EnviroDepot located at Try Recycling, 21462 Clarke Rd. and for the Operations and Management services as per Section 14.3(c) of the Procurement of Goods and Services Policy with Try Recycling Inc. for a term of three years with two (2), one (1) year options at the sole discretion of the City starting January 1, 2025, it being noted that the award and the final contract will be subject to approval by Council; and
- c) Civic Administration BE DIRECTED to prepare a Request for Proposal for the EnviroDepot Operations and Management Program (Oxford Street and Clarke Road) starting January 1, 2026, for four (4) years plus three (3), one (1) year option years at the sole discretion of the City.

1.3 Background

The City of London administers four multi-material EnviroDepots including operating the one located at the W12A Landfill (Table 1).

Table 1: Location and Operations of London's EnviroDepots

Area	Location	Operated by
North	A separate location at the Try Recycling facility at 21462 Clarke Rd., just north of Sunningdale Road East	Try Recycling
South	A separate location as part of the W12A Landfill, 3502 Manning Drive	City of London
East	28 Clarke Road, just north of Hamilton Road	Try Recycling
West	1450 Oxford Street West, just west of Sanatorium Road	Try Recycling

The location of the four EnviroDepots is shown on Figure A1 in Appendix A. Also included in Appendix A are data on:

- Materials currently managed and services provided at EnviroDepots (Table A1); and
- EnviroDepot customer visits and annual increase (Table A2).

2.0 Discussion and Considerations

2.1 Single Source Agreement to Continue Services with Try Recycling for Oxford Street and Clarke Road EnviroDepot Operations

The existing terms and conditions of the amended contract with Try Recycling for Operations and Management Services of the Oxford Street and Clarke Road EnviroDepots will remain the same except the EnviroDepots will be closed for all stat holidays except the Victoria Day holiday in May.

Currently these EnviroDepot locations are open on Easter Monday, Victoria Day and Thanksgiving and closed the remaining statutory and civic holidays. The decision to close the EnviroDepots for the remaining stat holidays except for Victoria Day was based on reviewing customer visits on these days and managing costs.

The costs associated with the recommended single source agreement are compared to 2024 and summarized in Table 2.

Table 2: Comparison and Summary of Single Source Agreement Costs

	2024 (Estimated)	2025 (Estimated)	% Change
Labour and Management Costs	\$612,000	\$640,000	4.5%
Unit Rate Service Costs ⁽¹⁾	\$805,000	\$883,000 ⁽³⁾	9.7%
Total:	\$1,417,000	\$1,523,000	7.5%
One-Time Site Alterations Costs ⁽²⁾	NA	\$62,500	NA

(1) Unit Rate Service Costs consist of roll-off bin lift and transportation fees, hauling yard waste for processing, onsite bin relocations and freon removal from appliances.

(2) Site Alteration Costs include concrete blocks to construct bunkers, a customer interaction space, minor electrical changes and safety feature enhancements and equipment time.

(3) Includes estimated inflation adjustments for unit rates that did not change as part of single source agreement.

The existing amended contract with Try Recycling includes an annual cost adjustment for inflation. The 4.5% increase for labour and management costs reflects that the inflation adjustments have not kept up with the change in these costs since the RFP pricing was provided in 2016.

The unit rate costs are also adjusted each year for inflation. The unit rate costs include work items that require fuel and sub-contractors to complete. The 7.5% increase reflects that the cost of fuel has increased significantly since the RFP pricing was provided in

2016 and that Try Recycling does not have the same measure of internal cost controls that can be applied to sub-contractors.

2.2 Sole Source Agreement Continued Use of North End EnviroDepot Location & Continue Services with Try Recycling

The existing terms and conditions of the contract with Try Recycling for Use of and Operations and Management Services of the North End EnviroDepot will remain the same except for the North End EnviroDepot's hours of operations will be changed to match the hours of the Oxford Street and Clarke Road EnviroDepots.

In the current agreement for use of the North End EnviroDepot, it is open different hours than the City owned EnviroDepot locations. The North End EnviroDepot is currently open as outlined below:

- Monday to Friday: 7:00 am to 5:00 pm
- Saturday: 8:00 am to 12:00 noon
- Closed Sundays and all stat holidays including the Civic holiday

The decision to change the hours of the North End EnviroDepot was made to standardize service availability and control costs as an additional attendant is required to be added to this location during operating hours to address safety concerns.

The costs associated with the recommended sole source agreement are compared and summarized in Table 3.

Table 3: Comparison and Summary of Sole Source Agreement Costs

	2024 (Estimated)	2025 (Estimated)	% Change
Labour and Management Costs ⁽¹⁾	\$75,000	\$154,000	105%
Unit Rate Service Costs ⁽²⁾	\$27,000	\$28,500 ⁽⁴⁾	5.5%
Total:	\$102,000	\$182,000	78%
One-Time Site Alterations Costs ⁽³⁾	NA	\$38,000	NA

(1) Second employee added due to growth in on-site activities.

(2) Unit Rate Service Costs consist of roll-off bin lift & transportation fees, hauling yard waste for processing, and freon removal from appliances

(3) Site Alteration Costs include concrete blocks to construct bunkers, a customer greater space, minor electrical changes and safety feature enhancements and equipment time.

(4) Includes estimated inflation adjustments for unit rates that did not change as part of single source agreement.

The increased costs associated with labour and management are because of the addition of a second staff attendant during operating hours. The second attendant is required to maintain customer service standards and address safety concerns due to the increase in customer visits at this location.

Labour and Management costs as well as unit rate costs are also adjusted each year for inflation. The unit rate costs include work items that require fuel and sub-contractors to complete. The 5.5% increase reflects that the cost of fuel has increased significantly since pricing was provided in 2016 and that Try Recycling does not have the same measure of internal cost controls that can be applied to sub-contractors. The increase for the unit rate costs is less than the costs for the single source Agreement discussed in Section 2.1 as the haul distance is less.

2.3 Summary - Rationale for the Recommendations in this Report

The rationale for the recommendations in this report are outlined as follows:

- The costs associated with the negotiated single source agreement with Try Recycling for a one (1) year term and one (1) year extension option are reasonable and can be accommodated in the 2024-2027 Multi-Year Budget.
- Proceeding with the single source agreement as recommended will provide EnviroDepot customers an alternate interim location at the Try Recycling facility located at 3544 Dingman Drive, while a major reconstruction project at the Clarke Road EnviroDepot is undertaken in 2025. The costs associated with the alteration required and the Try Recycling Facility on Dingman Drive are reasonable and approximately half of these costs are associated with materials that can be used at other City of London Waste Management locations when the Clarke Road EnviroDepot is re-opened.
- The costs associated with the negotiated sole source agreement with Try Recycling for a three (3) year term and two (2) one (1) year extension options including the one-time site alteration costs are reasonable, address observed and expected customer visit growth at this location and can be accommodated in the 2024-2027 Multi-Year Budget.
- Proceeding with the sole source agreement as recommended provides for a continued North End EnviroDepot Location while the City evaluates options and opportunities to establish a north end works yard that could incorporate an EnviroDepot location. There are currently no approved public or private locations in the north end of London that can accept the materials handled at the EnviroDepots other than at Try Recycling (works yard located in Middlesex Centre, on the boundary of London).
- Future RFP - In 2026, the EnviroDepots may handle more of these materials, the same amount or less. However, what mix of materials to be handled will not be known until sometime in 2025. Proceeding with the single source Operations and Management services for the Oxford Street and Clarke Road EnviroDepots, allows for more time to finalize the EnviroDepot requirements for an RFP for services.

3.0 Financial Impact/Considerations

The budget to operate and maintain the EnviroDepots is contained within the adopted 2024-2027 Multi-Year Budget as cost increases, no matter what direction Council wished to take, were inevitable.

Conclusion

This report recommends proceeding with the single source and sole source Agreements with Try Recycling for EnviroDepot operations and management.

Try Recycling has an experienced team that has been operating in the London area for more than thirty years. Try Recycling won competitive bids on three previous occasions through the RFP process (2002, 2009, 2016). Including these contracts, they have been the City's EnviroDepot service provider since 2003, and they have demonstrated excellent customer service throughout this period. Their experience with similar programs in neighbouring municipalities illustrates a thorough understanding of the programs goals and objectives of operating the EnviroDepots.

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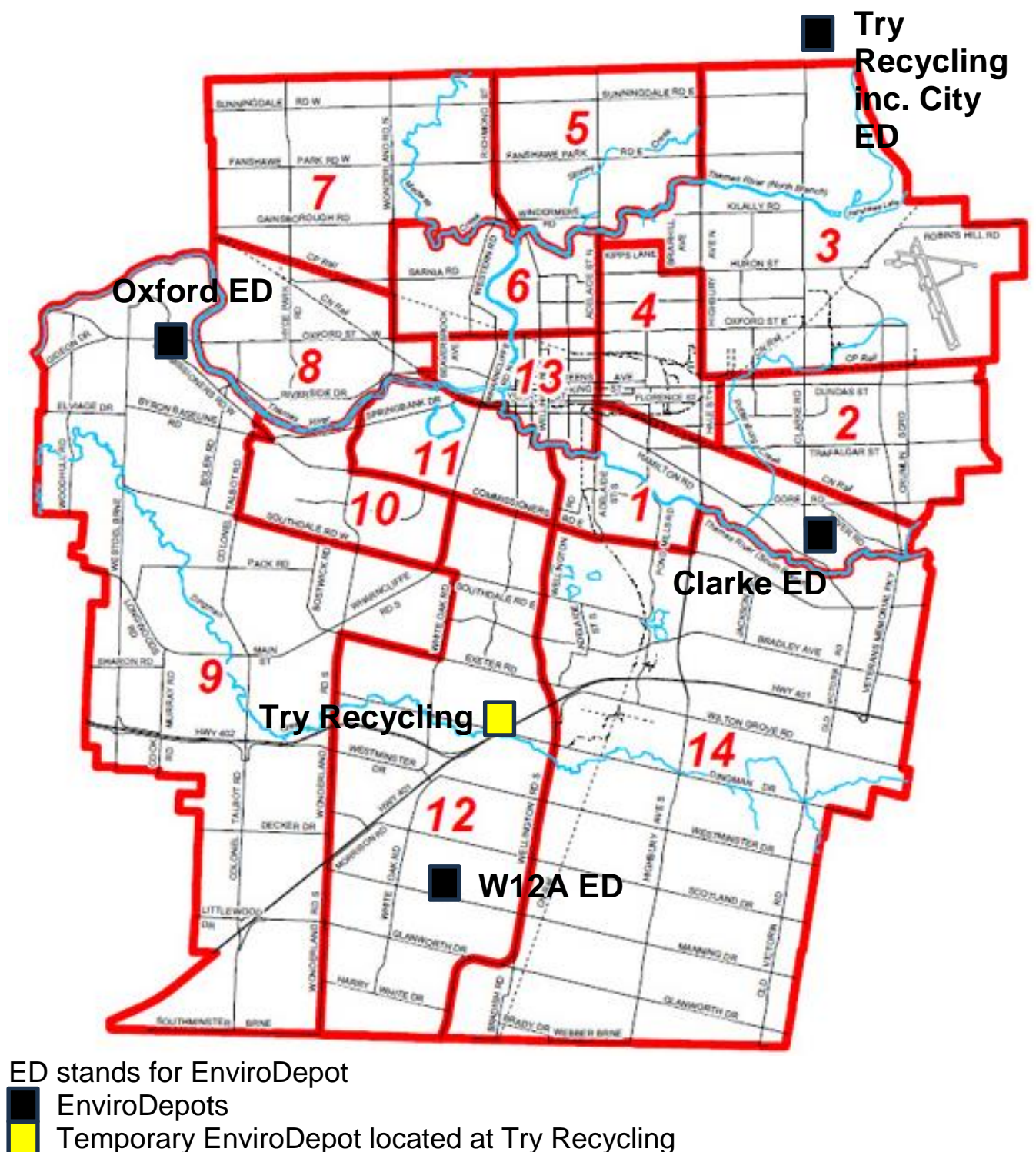
APPENDIX A

Try Recycling was the successful proponent of Request for Proposal (RFP) 16-37 awarded by Municipal Council in October 2016. The contracted service includes all aspects of the daily operation of the EnviroDepots at Oxford Street and Clarke Road locations, including staffing, on-site management and transportation of many depot materials (i.e., there are separate contracts for transport and processing of other materials such as electronics, tires).

At the same time, Municipal Council approved the submission for Try Recycling to operate a North end EnviroDepot at Try Recycling's Operations Yard located at 21462 Clarke Road (works yard located Middlesex Centre, on the boundary of London). This is on private property with special arrangements made for public access to the EnviroDepot area.

Figure 1 illustrates the four location of the current EnviroDepot network (black squares). The Try Recycling private site (yellow square) will be one of two locations residents will be encouraged to use when the Clarke Road EnviroDepot is closed for construction in 2025.

Figure 1: Network of EnviroDepots in Relation to the Ward Boundaries



Materials handled at the EnviroDepots are listed on Table A1.

Table A1: Materials Currently Managed and Services Provided at EnviroDepots

No Charge	Fee Charged
<ul style="list-style-type: none"> • Bikes (repairable) • Batteries • Blue Box recyclables • Compact fluorescent light bulbs and tubes • Electronics • Empty oil and anti-freeze containers • Fats, vegetable oil and grease • Goodwill donations (Oxford only) • Propane tanks • Scrap metal • Tires • Yard materials (except grass clippings) 	<ul style="list-style-type: none"> • Appliances (fees may apply) • Construction and Renovation materials \$35 minimum load, \$65 per car/SUV load, \$85 per pick-up truck/van load, \$85 per single axle trailer load • Grass clippings, \$2.00 per bag • Household bagged garbage, \$2.00 per bag
Sales and/or Items Provided	
<ul style="list-style-type: none"> • Blue Boxes • Composter and digesters • Garbage tags • Fats oil and greases (FOG) Cups • Landscaping materials (small volumes) 	

Since the start of the current contract with Try Recycling, customer visits to all EnviroDepots have increased year over year (Table A23). Between 2017 and 2024, the number of visits has increased at Oxford EnviroDepot by over 145% and Clarke South by over 130%. During this same period, the use of the North End Try EnviroDepot increased by 75%.

Table A2: EnviroDepot Customer Visits and Annual Increase

	2017	2018	2019	2020	2021	2022	2023	2024
Oxford Street Visits	185,097	219,617	236,521	375,007	439,728	489,714	532,189	456,146
Change		19%	8%	59%	17%	11%	9%	-14%
Clarke Road Visits	100,668	119,716	126,189	190,359	229,819	250,448	263,456	230,697
Change		19%	5%	51%	21%	9%	5%	-12%
North End Try Site Visits	19,865	23,213	25,823	29,582	33,344	34,030	35,244	34,840
Change		17%	11%	15%	13%	2%	4%	-1%