

## 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:** RFP-2022-105 Supply and Distribution of Green Bins and Kitchen Containers

**Date:** April 12, 2023

## Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the award of the work outlined in Request for Proposals (RFP) 2022-105 Supply and Distribution of Green Bins and Kitchen Containers:

- a) The proposal submitted by IPL North America Inc., 140 rue Commerciale, Saint-Damien-de-Buckland, Quebec G0R 2Y0, for the supply and distribution of Green Bin containers **BE ACCEPTED** at a price of \$3,436,410 (plus HST) for 121,000 45 litre Green Bins and 130,500, 7 litre kitchen containers;
- b) A Green Bin and kitchen container supply and distribution contingency fund representing 10% of supply and distribution costs **BE APPROVED** in the amount of \$343,640 (plus HST);
- c) A community awareness and involvement program to complement the distribution of the Green Bins and kitchen containers be established in the amount of \$210,000 (plus HST) **BE APPROVED**;
- d) Financing for the work identified in (a), (b) and (c) above, **BE APPROVED** in accordance with the "Sources of Financing Report" attached hereto as Appendix "A";
- e) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this work; and
- f) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval.

## Executive Summary

Request for Proposal 2022-105 Supply and Distribution of Green Bins and Kitchen Containers was issued on November 4, 2022 and closed on December 5, 2022. The RFP used a two-envelope approach requiring separate technical and financial submissions.

Three bids were received and the technical submissions were opened. Only technical submissions with a score of 70 percent or greater proceeded to have their financial submissions opened and considered. Two bids scored 70 percent or higher and the financial submissions were opened to complete the evaluation.

The proposal from IPL North America Inc. for the supply and distribution of a 7 litre kitchen container and 45 litre Green Bin to an estimated 121,000 households received the highest overall score based on their understanding of the work; supply and distribution of the products; technical, project and company expertise; and price. The IPL submission represents the best value for the City.

City staff recommend a contingency fund be established in the amount \$343,640 which represent 10% of the supply and distribution program. The use of the contingency is 100% at the discretion of the City. Examples of where the contingency may be used include increase in resin price, prolonged inclement weather, and other related factors.

City staff recommend that a community awareness and involvement program be established to complement the distribution of Green Bins. This represents an ideal time to provide program information directly to households; provide additional awareness messages in the community; and, engage the community.

Funding details for this procurement are outlined in the Source of Financing (Appendix A) and summarized below.

Item	Estimated Budget
Supply and distribution of Green Bin containers, kitchen containers and City information package	\$3,436,410
Green Bin Supply and Distribution Contingency Fund	\$343,640
Community Awareness and Involvement Program to complement the distribution of Green Bins	\$210,000
Total (excluding HST)	\$3,990,050

The Green Bin capital budget is significantly funded from the Canada Community-Building Fund (formerly the Federal Gas Tax program).

## Linkage to the Corporate Strategic Plan

Municipal Council continues to recognize the importance of solid waste management and the need for a more sustainable and resilient city in the development of its 2019-2023 - Strategic Plan for the City of London. Specifically, London's efforts in solid waste management address three Areas of Focus, at one level or another:

- Building a Sustainable City
- Growing our Economy
- Leading in Public Service

On April 23, 2019, the following was approved by Municipal Council with respect to climate change:

*Therefore, a climate emergency be declared by the City of London for the purposes of naming, framing, and deepening our commitment to protecting our economy, our eco systems, and our community from climate change.*

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 the Green Bin program, 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](http://www.london.ca) under Council meetings include:

- Updates: Green Bin Implementation, (June 21, 2022 meeting of the Civic Works Committee (CWC), Item #2.3)
- Green Bin Program Design – Community Engagement Feedback (March 30, 2021 meeting of the CWC, Item #2.13)

- Community Engagement on Green Bin Program Design (November 17, 2020 meeting of the CWC, Item #2.3)
- Business Case 1 – 60% Waste Diversion Action Plan – 2020-2023 Multi -Year Budget (January 30, 2020 meeting of the Strategic Priorities & Policy Committee (SPPC), Item #4.12a)
- 60% Waste Diversion Action Plan – Updated Community Feedback (September 25, 2018 meeting of the CWC, Item #3.2)
- Public Participation Meeting 60% Waste Diversion Action Plan – Additional Information (September 25, 2018 meeting of the CWC, Item #3.2)
- 60% Waste Diversion Action Plan (July 17, 2018 meeting of the CWC, Item #3.1)

## 1.2 Previous Community Engagement with Respect to Green Bin Containers

In November 2020, CWC received a report that identified an approach to engage the community in designing the Green Bin program with respect to items that will motivate participation in the new program.

The Green Bin Community Engagement process was conducted in early 2021 to engage the community and solicit feedback in designing London's Green Bin program. The community engagement focused on five key decisions for overall program design which influence one another: types of materials accepted, size of curbside container, type of kitchen container and type of bin liners permitted. The engagement process also asked Londoners what concerns they may have with bi-weekly garbage collection.

The City's community engagement online platform, GetInvolved.ca, was used to provide information, and collect feedback on each of the key decision areas. The online feedback form received 3,777 responses, the webpage had 9,180 unique visitors and about 54,000 total page views. A comprehensive report was presented to CWC on March 30, 2021.

On April 13, 2021, Council resolved that:

- a) the Civic Administration **BE AUTHORIZED** to undertake a Request for Proposals procurement process to:
  - i) select a company or companies to supply a kitchen container for indoor use to recover organics;
  - ii) select a company or companies to supply and deliver to London homes a Green Bin curbside container (approximate size 45 litres); and
  - iii) select a company or companies to supply and deliver a larger Green Bin curbside container (approximate size 80 litres or 120 litres) potentially for use in some townhome complexes where a smaller Green Bin is not practical;

## 2.0 Discussion and Considerations

### 2.1 Procurement Process

Request for Proposal 2022-105 for the Supply and Distribution of Green Bins and Kitchen Containers (RFP) was issued on November 4, 2022 and closed on December 5, 2022. The RFP used a two-envelope approach whereby a technical submission and a financial submission were required.

Three bids were received and the technical submissions were opened. Only submissions with a technical submission score of 70 percent or higher proceeded to have their sealed financial submission opened and reviewed. Technical submissions were evaluated by an evaluation team from Waste Management, Waste Collection and Procurement and Supply.

Bidders were provided the evaluation criteria and specific details as part of the RFP under the following categories:

- Work Plan and Deliverables
- Company Experience and Capability
- Contingency Plans
- Green Bin Design/Functionality
- Design Specification Exception Description (if applicable)

Two bids scored 70 percent or higher and the financial submissions were opened to complete the evaluation scoring.

## 2.2 Results

The proposal from IPL North America Inc. (hereafter referred to as IPL) received the highest overall score based on their understanding of the work; supply and distribution of the Green Bin; technical, project and company expertise; and price. IPL is also able to accommodate different distribution dates for the Green Bin based on the uncertainty of the actual start date for the Green Bin program due to lack of firm delivery dates for collection vehicles at this time. The IPL submission represents the best value for the City.

The 7 litre kitchen container and 45 litre Green Bin are used in the cities of Hamilton, Kingston, Montreal and several other municipalities in Canada. IPL has undertaken Green Bin distribution programs in the above cities along with Green Cart and Garbage Cart distribution programs in the Region of Peel and the cities of Guelph, Gatineau (Quebec), Lethbridge (Alberta), Richmond, (B.C.), and Winnipeg (Manitoba).

## 2.3 Overview of the Kitchen Container and Green Bin

Below are pictures of the 7 litre kitchen container and the 45 litre Green Bin. A total of 121,000 Green Bins and 130,500 kitchen containers are being purchased. The additional kitchen containers are for use in some townhome complexes where the central pickup will be based on larger, centralized Green Carts (not individual Green Bins) and for individual units in the multi-residential high-rise pilot project building for organic collection. Following the pictures is a brief description of both products.



7 litre Kitchen Container  
(source: IPL website)



45 litre Green Bin  
(source: IPL website)

### Overview of Kitchen Container

- 7 litre capacity;
- Made using an injection process with high density polypropylene (PP);
- UV stabilized against long-term effects of the sun;
- Unibody design requires no bolts or holes that could potentially leak;
- Designed for maximum stability even when the lid is open;
- Single-grip open/close, closes securely;
- Interlocking double-seal device;
- Can be moved or transported using pail-style handle, contour lip, rear handle or bottom grip;

- Uneven raised base means limited to no remaining residue once emptied;
- Opens wide for easy placement of food waste;
- Smooth finish inside and removable lid for easier washing, by hand or in dishwasher;
- Easy to empty in a single-handed motion, with pail-style handle kept out of the way; and
- Contents never in contact with pail-style handle.

### **Overview of Green Bin**

- 45 litre capacity;
- Made using an injection process with high density polyethylene (HDPE);
- UV stabilized against long-term effects of the sun;
- Unibody design requires no bolts or holes that could potentially leak;
- Lid overlaps container for a tight seal which keeps pests and water out. Lid has dual position with a stopping system that locks in position when fully opened;
- The 5 inch wheels make the cart easy to roll over a variety of surfaces;
- Inside, the smooth finish and rounded corners are easy to clean;
- Outside, the sandblasted finish hides scratches and help keeping a neat look over time;
- Ergonomic bottom handle grabs make cart easy to empty;
- Large footprint means the bins will stand up on the curb, not on the side. Durable, dual wear strips will protect the bottom of the bin; and
- Side handles make it easier to collect heavy organic waste.

## **2.4 Overview of the Distribution System**

IPL will be responsible for distributing the Green Bin to approximately 121,000 households in London. Placed inside the Green Bin will be the kitchen container and an information package to be prepared and provided by the City.

The distribution system will be finalized when the City has determined a final start date for the Green Bin program. It will require approximately two months to deliver the Green Bins across London. The fundamental activities of the distribution system include:

- Shipping and receiving products in London;
- Assembly of products;
- Insertion of information;
- Resources and equipment (e.g., distribution vehicles, loading and unloading equipment, labour, short-term storage);
- Program training and awareness; and
- Distribution network and tracking system.

## **2.5 Green Bin Supply and Distribution Contingency Fund**

City staff recommend a contingency fund be established in the amount \$343,640 (excluding HST) which represent 10% of the supply and distribution program. The contingency is 100% at the discretion of the City. Examples of where the contingency may be used include:

- Increase in resin price. The portion of the Green Bin unit pricing attributable to the plastic resin content shall be reviewed when the plastic resin is to be purchased for the manufacture of the Green Bins. IPL will inform the City of when the plastic resin is to be purchased, and will calculate, using the method outlined in the RFP and to the satisfaction of the City, any price adjustment that is to be made. Should the market price of resin increase or decrease from the resin price submitted in the RFP, the increase or decrease will be passed on to the City. The amount of the Green Bin unit price increase or decrease will be determined using several market factors that have been used by other municipalities when purchasing Green Bins and similar products.
- Additional distribution services needed (e.g., for kitchen containers delivered to multi-residential buildings).

- Prolonged inclement weather and related factors. IPL has established contingency plans based on experience with other municipalities. There may be some situations that fall beyond a normal contingency plan that require additional investment. Similarly, there may be situations where additional resources are required for the City to fulfill its role in the distribution system (e.g., household data management, reviews of townhome complexes, additional distribution equipment).

## 2.6 Community Awareness and Involvement Program to Complement the Distribution of Green Bins

The distribution of Green Bins to London households represents the ideal time to:

- Provide program information directly to households;
- Provide additional awareness messages in the community;
- Provide a tracking system and delivery of information on how the distribution system is working and potential delivery dates by neighbourhood;
- Engage with community groups that wish to help promote the arrival and use of the Green Bin; and
- Address households that may want to return the Green Bin as they do not wish to participate in the program.

An amount of \$195,570 has been identified based on \$1.50 per kitchen container to be delivered (130,500).

The City has also been approached by a few (certified) compostable bag and liner manufacturers that may provide free samples and/or coupons for Londoners that wish to try these enhancement products that will not be provided by the City. This has been a common practice in other municipalities. In preparation for this possibility, an initial quote was obtained from IPL (\$14,250) should additional work be required.

The table below summarizes the estimated budget Community Awareness and Involvement Program to Complement the distribution of Green Bins.

Item	Estimated Budget	Notes
Community awareness and involvement	\$195,750	The amount is based on \$1.50 per kitchen container (130,500).
Insertion of additional details and products to support Green Bin implementation	\$14,250	A price submitted by IPL should the City identify additional items to be added into IPL's distribution system.
Total (excluding HST)	\$210,000	

## 3.0 Financial Impact/Considerations

Funding details for this procurement are outlined in the Source of Financing (Appendix A) and summarized below.

Item	Estimated Budget
Supply and distribution of Green Bin containers, kitchen containers and City information package	\$3,436,410
Green Bin Supply and Distribution Contingency Fund	\$343,640
Community Awareness and Involvement Program to complement the distribution of Green Bins	\$210,000
Total (excluding HST)	\$3,990,050

Based on available information in 2018 for the supply and distribution of the Green Bin and kitchen container, a cost estimate of between \$30 and \$35 per household was established. Based on the numbers provided on the previous table for 121,000 households, the current amount ranges between \$28 and \$33 per household.

The Green Bin capital budget is significantly funded from the Canada Community-Building Fund (formerly the Federal Gas Tax program).

## **Conclusion**

The City's RFP process resulted in two bidders that achieved the required technical scores (70% threshold) to open the financial proposal. The proposal from IPL received the highest overall score based on their understanding of the work; supply and distribution (logistics) of the Green Bin; technical, project and company expertise; and price. The IPL submission represents the best value for the City.

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

**Prepared and Submitted by:** **Jay Stanford, MA, MPA**  
**Director, Climate Change, Environment & Waste Management**

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

### Appendix A – Source of Financing

- c Anna Lisa Barbon, Deputy City Manager, Finance Supports
- Ian Collins, Director, Financial Services
- Steve Mollon, Manager, Procurement and Supply

**Appendix "A"**

#23078  
 April 12, 2023  
 (Contract Award)

Chair and Members  
 Civic Works Committee

RE: RFP-2022-105 - Procurement of Green Bin Containers and Delivery Services  
 (Subledger NT23LF01)  
 Capital Project SW6050 - New and Emerging Solid Waste Technologies  
 IPL North America Inc - \$3,436,410.00 (excluding HST)

**Finance Supports Report on the Sources of Financing:**

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

<b>Estimated Expenditures</b>	<b>Approved Budget</b>	<b>Committed To This Date</b>	<b>Committed To This Submission</b>	<b>Balance for Future Work</b>
Consulting	1,000,000	314,730	0	685,270
Construction	24,215,094	52,003	4,060,275	20,102,816
Vehicles and Equipment	11,245,906	10,649,807	0	596,099
<b>Total Expenditures</b>	<b>\$36,461,000</b>	<b>\$11,016,540</b>	<b>\$4,060,275</b>	<b>\$21,384,185</b>

**Sources of Financing**

Canada Community-Building Fund (Note 1)	7,948,468	7,948,468	0	0
Drawdown from Fleet Renewal Reserve Fund	861,000	861,000	0	0
Drawdown from Solid Waste Renewal Reserve Fund	16,351,532	2,207,072	4,060,275	10,084,185
Debenture By-law No. W.-5679-335	11,300,000	0	0	11,300,000
<b>Total Financing</b>	<b>\$36,461,000</b>	<b>\$11,016,540</b>	<b>\$4,060,275</b>	<b>\$21,384,185</b>

<b>Financial Note: IPL North America Inc.</b>	<b>Supply and Distribution of Green Bins</b>	<b>10% Contingency Fund</b>	<b>Total</b>
Contract Price	\$3,436,410	\$343,640	\$3,780,050
Add: HST @13%	446,733	44,673	491,406
Total Contract Price Including Taxes	3,883,143	388,313	4,271,456
Less: HST Rebate	-386,252	-38,625	-424,877
Net Contract Price	<b>\$3,496,891</b>	<b>\$349,688</b>	<b>\$3,846,579</b>

**Financial Note: Community Awareness and Involvement Program (Note 2)**

Cost Estimate	\$210,000
Add: HST @13%	27,300
Total Contract Price Including Taxes	237,300
Less: HST Rebate	-23,604
Net Cost Estimate	<b>\$213,696</b>
<b>Total Award</b>	<b>\$4,060,275</b>

**Note 1:** Overall the green bin project is supported by \$7.9 million of Canada Community-Building funding. This funding was previously committed to the procurement of green bin waste collection trucks via the August 31, 2021, Civic Works Committee report, RFP21-37 Supply and Deliver of CNG Split Stream Rear Loading Waste Collection Trucks.

**Note 2:** The Community Awareness and Involvement Program included in this submission is not being awarded to IPL North America Inc. and represents the cost of the work outlined in section 2.6 of the report.

Jason Davies  
 Manager of Financial Planning & Policy