

COMMUNICATION 131059

Received From: Dave Young, Director of Public Works
Addressed To: Council
Date: May 5, 2020
Topic: Recyclable Material Collection and Processing RFP

SUMMARY

A Request for Proposal for the provision of services for the collection and processing of recyclable materials was developed and circulated by the Municipality of Mississippi Mills, Township of Montague and the Town of Carleton Place. This municipal group was referenced as the Municipal Waste Group (MWG) in the RFP documents. Submissions were accepted until February 21st, 2020. The RFP was structured in a manner that submissions were provided to MWG, but each individual municipality had its own section within the RFP which would allow each individual municipality to enter into a separate agreement with the successful bidder.

The RFP required bidders to submit proposals for review that incorporated both single stream and dual stream options, along with any alternate options that bidders would be able to provide to the municipalities. In order to be prepared for the transition to full Producer Responsibility commencing in 2023, the term of the RFP is for a 2 1/2 year term with the ability to extend the contract for three (3) further one (1) year terms. It is anticipated that the Province will implement the plan to transition to full Producer Responsibility by rolling out phases across the Province between January 1st, 2023 and December 31st, 2025 and at this time, it is unclear which phase the Town of Carleton Place will be in.

DISCUSSION

Bids were received by the RFP deadline as follows:

CONTRACTOR	DESCRIPTION OF SERVICE	SINGLE STREAM OPTION	DUAL STREAM OPTION
Emterra Environmental	Weekly	\$567,139.76	
	Weekly		\$1,025,340.96
	Alternating Weekly Collection		\$ 519,116.80
Waste Management	Weekly	\$1,641,123.88	
	Weekly		\$1,687,304.45
GFL	Weekly	\$504,149.80**	

Note: HST is in addition to above pricing

** Incomplete bid as they did not provide a dual stream option and did not complete all of the required information in the RFP submission

Bids were evaluated based on Corporate Profile, Experience, Organizational Plan, Facilities, Implementation Plan, Environmental Considerations, Communication Strategies, and Contingency Plans. Based on satisfactory scores on the above categories, the financial component was then reviewed.

Emterra Environmental generated the highest scoring of all bidders, based on their submission. They provided three (3) options to the Group which were:

- a. weekly collection, single stream;
- b. weekly collection, dual stream; and
- c. an alternative that would see weekly collection, with alternating dual stream materials collected. This last option would see fibres (cardboard and paper products) collected one week and the other week would have collection of plastics and metals.

Emterra Environmental has been in the industry since 1976, with operations in British Columbia, Saskatchewan, Manitoba, Ontario, and the State of Michigan. Recently Emterra Environmental acquired the Beauman Recycle Processing and Marketing Facility in Renfrew and have completely refurbished the facility. This facility has the ability to process both Single and Dual Stream materials. Emterra's proposal would include a partnership with Topps Environmental Services as the collection service provider.

There are obviously differences with the Single Stream and Dual Stream alternatives. Single Stream Collection (which the Town currently provides) is convenient for residents in that all materials simply go into one container and no separation is required. The typical issues with single stream materials is that there is a higher rate of contamination, and they are more difficult to process and market. This has become a high-profile issue due to the difficulty in finding markets for recyclable materials and the fact is that the cleaner the product, the better chance of finding appropriate markets.

Emterra's proposal would see a three (3) month transition period for residents to switch from Single Stream Collection to Dual Stream Alternating Week Collection. They would propose to work with all municipalities to develop messaging and in fact have offered to front all costs relating to the provision of new bins and would look to receive 50% back at the end of the 2 ½ year term. If any municipal partner exercises the extension option, they would then cover costs on a prorated basis up to full cost recovery based on a full 3-year extension.

It should be noted that both the Municipality of Mississippi Mills and the Township of Montague have made the decision to proceed on the basis of alternating weekly collection, dual stream option with Emterra Environmental.

FINANCIAL IMPLICATIONS

The Town's 2020 budget for recycling collection is \$285,000 with \$100,000 of this amount paid for from revenue from Stewardship Ontario. Staff is recommending approval of Emterra Environmental's dual stream collection on an alternating weekly basis in the amount of \$519,116.80 plus HST which leaves an annual shortfall of \$234,116.80 plus HST (\$238,237.26 by adding in the Town's net share of HST).

The new contract would take effect June 1, 2020 so the increase is for 7/12 of the year. Given this fact and taking into account the Town's net share of HST, the shortfall for 2020 would be \$141,897.74.

Staff contacted Stewardship Ontario (SO) to determine if they would provide additional funding to the Town given that our recycling costs have increased as a result of this procurement process. Currently, the Town receives \$100,000 annually from SO towards its recycling costs. In discussions with SO, they were non-committal about whether we would actually receive any additional funding to offset the increased costs. However, they felt the Town would potentially be eligible for an increase in subsidy in future years. The amount of funding received from SO is dependent on a data call staff completes annually and there is a one-year lag between submitting annual information to when funding is received.

STAFF RECOMMENDATION

THAT Council pass a By-law to authorize the Mayor and Clerk to enter into an agreement with Emterra Environmental for the Collection and Processing of Recyclable Materials based on the Dual Stream Collection Alternating Weekly Basis option.