



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 12-362

TO: Mayor and Members of Council
FROM: Jim Keech, President & CEO, Utilities Kingston
RESOURCE STAFF: John Giles, Manager, Solid Waste
DATE OF MEETING: November 6, 2012
SUBJECT: Supply of Recycling Processing Services

EXECUTIVE SUMMARY:

The City of Kingston and BFI Canada Inc. are in the last year of an agreement for recycling processing services, which will expire on June 30, 2013.

Staff recommends that the existing agreement be extended by one year under the same terms and conditions in order to receive the final results of a Provincial Blue Box Optimization Study so that any potential improvements could be incorporated in the next RFP.

BFI have agreed to extend the existing agreement. Staff has not experienced any concerns with the contractor or their operations and do not anticipate that an RFP would result in a lower price than the existing contract rate plus the annual Consumer Price Index increase.

RECOMMENDATION:

THAT the agreement with BFI Canada Inc. for the supply of recycling processing services awarded under RFP OS-SW-02-2005 be extended for one year commencing July 1, 2013 and continuing to and including June 30, 2014 under the same terms and conditions; and

THAT the Mayor and City Clerk be authorized to enter into an agreement, in a form satisfactory to the Director of Legal Services.

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AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY PRESIDENT & CEO, UTILITIES KINGSTON Jim Keech, President & CEO, Utilities Kingston
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	N/R
Lanie Hurdle, <i>Community Services</i>	N/R
Denis Leger, <i>Transportation, Properties & Emergency Services</i>	N/R

(N/R indicates consultation not required)

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OPTIONS/DISCUSSION:

The City of Kingston and BFI Canada Inc. are in the last year of an agreement for recycling collection and processing services, which will expire on June 30, 2013. Collection and processing have been separated for the next RFP. A recycling collection RFP has been issued and awarded to BFI Canada effective July 1, 2013.

It is now in order to consider the agreement for recycling processing. Staff is proposing that the existing agreement be extended by one year in order to receive the final results of the CIF Provincial Blue Box Optimization Study.

CIF Provincial Blue Box Optimization Study:

The Continuous Improvement Fund (CIF) is a program developed through a partnership with Waste Diversion Ontario, the Association of Municipalities of Ontario, the City of Toronto and Stewardship Ontario to improve the effectiveness and efficiency of municipal blue box recycling programs.

The CIF initiated a study for an optimized provincial transfer and processing system and put aside \$10 million for improvements pending the outcome of the study. The study examined optimal infrastructure requirements to meet current and future Provincial blue box transfer and processing needs up to the year 2025. The CIF was asked to provide options for the use of funds put aside pending the outcome of the study and to consider next steps.

Interim Proposal:

Staff recommends that the existing agreement with BFI Canada be extended for one year under the same terms and conditions while awaiting the final outcome of the Optimization Study so that any potential improvements could be incorporated in the next RFP. BFI have agreed to extend the existing agreement. Staff has not experienced any concerns with the contractor or their operations and do not anticipate that an RFP would result in a lower price than the existing contract rate plus the annual Consumer Price Index (CPI) increase. This rate has been included in the proposed 2013 operating budget. The current contract year is July 1, 2012 to June 30, 2013.

EXISTING POLICY/BY LAW:

By-law 2000-134, a By-law to Establish Purchasing Policies and Procedures, requires that Council approve the extension.

NOTICE PROVISIONS:

Not applicable.

ACCESSIBILITY CONSIDERATIONS:

This report is available in accessible formats upon request.

FINANCIAL CONSIDERATIONS:

The processing rate in the proposed budget for 2013 is equal to the 2012 rate plus an estimated CPI increase based on the index at 2%. The actual processing rate will be the 2012 rate plus the actual 2012 CPI. The 2013 budget will reflect the appropriate financial estimate.

A one year extension would provide for an increase in 2014 based on the actual 2013 CPI.

CONTACTS:

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OTHER CITY OF KINGSTON STAFF CONSULTED:

Janis Morrison, Purchasing Coordinator, Financial Services
Nicole Barrett, Law Clerk, Legal Services

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EXHIBITS ATTACHED:

Not applicable.