

**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 3, 2018**

SUBJECT **Award of Contract 18-1965 – Curbside Residential Recycling Collection**

ISSUE

To seek approval for the Award of Contract 18-1965 for the provision of curbside residential recycling collection services.

BACKGROUND

At its February 14, 2018 meeting, the Capital Regional District (CRD) Board approved a motion directing staff to enter into an agreement with Recycle BC (RBC) to provide residential curbside recycling collection services for the capital region on its behalf beginning May 1, 2019 and ending December 31, 2023. They also directed staff to issue a tender for CRD Board approval for curbside recycling collection for four years and eight months also ending December 31, 2023.

A new agreement with RBC has been prepared and a public tender for the provision of curbside collection services from May 1, 2019 to December 31, 2023 was closed on August 24, 2018 and one bid (from the incumbent contractor) was received as follows:

Name of Firm Tendering	Number of Households	Rate Per Household Per Year	Estimated Annual Cost
Halton Recycling Limited dba. Emterra Environmental	123,629	\$42.56	\$5,261,650.24 ¹

¹ Excludes GST

The current curbside recycling collection contract expires on April 30, 2019 and a new contract needs to be awarded at this time to ensure continuity of service. The tender has been reviewed and it complies with the instructions to tenderers and the tenderer is qualified to undertake the work.

ALTERNATIVES

That the Environmental Services Committee recommend to the Capital Regional District Board:

Alternative 1

That Contract 18-1965, Curbside Collection of Residential Packaging and Paper Products, be awarded to Halton Recycling Limited dba. Emterra Environmental from May 1, 2019 to December 31, 2023, at the rate of \$42.56 per household and an estimated cost of \$5,261,650 per year.

Alternative 2

That the work for curbside recycling collection be retendered.

SOCIAL IMPLICATIONS

Curbside recycling is a service that has been provided by the CRD since 1989 and has strong residential participation levels and Alternative 1 will maintain this service. Alternative 2 would similarly maintain this service, provided the work is successfully tendered.

ENVIRONMENTAL IMPLICATIONS

Maintaining services under both Alternative 1 and Alternative 2 will help ensure that approximately 16,000 tonnes of residential packaging and paper products are collected and recycled in the capital region.

ECONOMIC IMPLICATIONS

Under Alternative 1, the annual contract cost will be \$5,261,650, of which \$5,164,720 or 98% would be recovered through payments from RBC (current contract also has a 98% cost recovery ratio). The remaining \$96,900 is the approximate net cost of maintaining curbside glass recycling as directed by the Board at its April 13, 2016 meeting. This represents a net cost of about \$0.78 per household per year and compares to a net cost of \$0.64 for the previous contract. The contract cost and associated offsetting RBC revenue are both well within the budgeted amounts for 2019. The economic implications of Alternative 2 can only be determined once a new tender process is completed.

CONCLUSION

The current curbside recycling collection contract is set to expire on April 30, 2019 and a new contract is required in order to ensure continuity of service. A four year and eight month tender for the service was closed on August 24, 2018 and one bid was received from Halton Recycling Limited dba. Emterra Environmental in the amount of \$5,261,650 annually. This four year and eight month contract aligns with the expiration of the CRD's agreement with Recycle BC to provide curbside recycling services on its behalf and would mean over 98% of the collection contract cost is paid by Recycle BC, with the unfunded balance representing the net cost of continuing to provide curbside glass recycling services based on a motion passed by the Board at its April 13, 2016 meeting.

RECOMMENDATION

That the Environmental Services Committee recommend to the Capital Regional District Board:

That Contract 18-1965, Curbside Collection of Residential Packaging and Paper Products, be awarded to Halton Recycling Limited dba. Emterra Environmental from May 1, 2019 to December 31, 2023, at the rate of \$42.56 per household and an estimated cost of \$5,261,650 per year.

Submitted by:	Russ Smith, Senior Manager, Environmental Resource Management
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