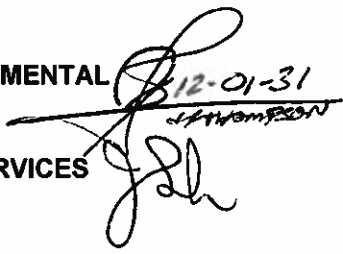



TO: GENERAL COMMITTEE

SUBJECT: WASTE MANAGEMENT SERVICES CONTRACT 2005-07 EXTENSION

PREPARED BY AND KEY CONTACT: T. QUANN-STRASSER, WASTE REDUCTION CO-ORDINATOR, Ext. 5822

SUBMITTED BY: JOHN F. THOMPSON P. ENG., DIRECTOR OF ENVIRONMENTAL SERVICES, Ext. 4802 

GENERAL MANAGER APPROVAL: JIM SALES, GENERAL MANAGER OF COMMUNITY SERVICES 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the existing Waste Management Services Contract # 2005- 07 be extended for ten (10) months from June 30, 2012 until May 5, 2013.
2. That the Mayor and the City Clerk be authorized to execute the Amendment to the City of Barrie Waste Management Service Agreement (FIN #2005-07) attached as Appendix A to Staff Report ENV004-12.

PURPOSE & BACKGROUND

3. The purpose of this staff report is to provide Council with details regarding the appropriateness and requirement for a ten (10) month extension to the current waste management services contract.
4. In 2008, during negotiations with the collection contractor to include certified compostable liners in the Organics Collection Program, the City of Barrie executed the optional two (2) one (1) year extensions to the original contract which was scheduled to run from 2005 to 2010.
5. The current waste collection contract is scheduled to terminate on June 30, 2012.
6. The City of Barrie is currently developing a Sustainable Waste Management Strategy that will guide waste management planning in five (5) year increments over the next 20 years. The Strategy will produce a list of recommendations to enhance the effectiveness and efficiency of the waste management system which includes expected modifications to the curbside waste collection services. The strategy recommendations are scheduled to be presented to Council in Q1 of 2012.
7. A review of waste management services was included in the 2011 Business Plan and the results of the Service Review were presented to Council on December 12, 2011. The recommendations included items that will be implemented in 2012 but also contained recommendations that are tied to an updated waste collection services contract.
8. KPMG's final report to Waste Diversion Ontario (WDO) on Operational Improvement, Blue Box Program Enhancement and Best Practices Assessment, Volume 1, July 31, 2007 indicates that the length of waste collection services contracts involving the supply of equipment should match

the lifecycle of the equipment being supplied. The report also indicates the current lifecycle expectations for new collection trucks are approximately seven (7) years.

ANALYSIS

9. The Environmental Operations Branch is collaborating with the Purchasing Branch on the development of the Request for Proposal (RFP) for Waste Collection Services. Recommended changes to the collection system identified through the Sustainable Waste Management Strategy that impact current service levels will require Council approval prior to inclusion as specifications in the RFP document.
10. To allow sufficient time to incorporate approved system changes into the RFP document and release, evaluate and award the new contract, with adequate allowance for the selected contractor to properly prepare, a ten (10) month extension to the existing contract is required.
11. The successful bidder will be required to supply new equipment upon commencement of the new contract and industry standard suggests a minimum of 6 months is required between contract award and commencement of contract to allow for the procurement of equipment by the successful bidder.
12. Staff met with representative of BFI Canada, the City's current waste management services contractor, on December 9, 2011 to discuss a ten (10) month extension to the existing Waste Management Services Contract Fin #2005-07 with no changes to terms and conditions other than scheduled adjustments as outlined in the contract (i.e. adjust the number of serviced units and CPI adjustment). BFI Canada has executed an Amendment to the City of Barrie Waste Management Services Agreement (FIN #2005-07), attached as Appendix A to this staff report.
13. The 2012 Business Plan reflects the adjustments associated with the recommended contract extension.
14. The extension would result in the Request for Proposal document being released to market in Q2 of 2012, with award in Q4 of 2012 and a start date of May 6, 2013.

ENVIRONMENTAL MATTERS

15. The following environmental matters have been considered in the development of the recommendation:
 - a) Developing a collection contract that reflects the recommendations of the Sustainable Waste Management Strategy process will help achieve sustainability and will result in maximizing diversion through program developments that are consistent with the approved Strategy.

ALTERNATIVES

16. There are two alternatives available for consideration by General Committee:

Alternative #1

General Committee could opt to continue with the scheduled completion date of June 30, 2012 for the current collection contract and the commencement of a new collection contract on July 1, 2012.

This alternative is not recommended as it could result in the award of a multi-year contract based on the current contract's terms and specifications and it would not reflect the data and recommendations gathered through the Sustainable Waste Strategy Process delaying program improvements.

Alternative #2

General Committee could direct staff to develop a short term, bridge contract until the Strategy Report has been finalized.

This alternative is not recommended because the need for capital equipment in a collection contract, which cannot be paid for in the short term, would result in a significant increase in contract costs and resources.

FINANCIAL

17. The financial impact of the recommended motion is to extend the existing contract terms for 10 months. Funds to support the recommended motion are included in the 2012 Business Plan.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

18. The recommendation(s) included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
- Manage Growth and Protect the Environment
 - Strengthen Barrie's Financial Condition
19. The recommendation supports the goal of Managing Growth and Protecting the Environment by providing a mechanism that ensures the inclusion of approved system changes consistent with the recommendations of Barrie's Sustainable Waste Management Strategy that result in enhanced effectiveness and efficiency of the City's waste management system.
20. The recommendation Strengthens Barrie's Financial Condition by providing a mechanism that ensures the preferred waste collection system and options are priced through the competitive bid process to obtain best value.

APPENDIX A

**Amendment to the
City of Barrie Waste Management Services Agreement (FIN #2005-07)**

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THE CORPORATION OF THE CITY OF BARRIE
FINANCE DEPARTMENT
"Committed to Service Excellence"

**Amendment to the
City of Barrie Waste Management Services Agreement (FIN #2005-07)**

This Amendment (Amendment) to the Waste Management Services Agreement dated June, 2005 (Agreement), between BFI Canada (Contractor), formerly Waste Services (CA) Inc., and City of Barrie (City) is effective when signed by an authorized representative of both parties.

WHEREAS, City and Company have mutually agreed to renew for a further period of ten (10) months.

NOW THEREFORE, in consideration of the mutual obligation, promises and covenants set forth in this Amendment, the parties hereto agree as follows:

- 1 Page 10 of 74 of the Waste Management Services Agreement item 2.1 will be revised as follows:
- 2.1 **Term.** This Agreement will be effective July 1, 2005 and shall terminate on May 5, 2013

BFI CANADA

Print Name: BRYAN CARRIGAN

Signature: 

Title: DISTRICT MANAGER

Date: JANUARY, 17, 2012

**THE CORPORATION OF THE CITY OF
BARRIE**

Print Name: _____

Signature: _____

Title: _____

Date: _____

Print Name: _____

Signature: _____

Title: _____

Date: _____