

COMMITTEE OF THE WHOLE - APRIL 20, 2010

SINGLE SOURCE AWARD OF HOUSEHOLD ORGANIC CURBSIDE CONTAINERS (‘GREEN BINS’) WARDS - ALL

Recommendation

The Commissioner of Engineering and Public Works in consultation with the Director of Purchasing Services recommends:

1. That the City enters into a single source agreement with Norseman Environmental for the supply and delivery of 15,000 13 gallon (residential) household organic curbside containers commonly referred to as the “green bin”; and
2. That the price of \$15.75, excluding taxes and delivery, per green bin as quoted by Norseman Environmental in their email dated March 30, 2010, be the price incorporated into the single source agreement; and
3. That the Mayor and Clerk be authorized to sign the necessary documentation.

Contribution to Sustainability

The recommendations contained in this report will ensure the supply and delivery of green bins and that the City will continue to provide a household organics curbside collection program using the same 13 gallon Norseman container already used by the City, as well as all other local municipalities in York Region, for the next 3 years.

Economic Impact

It is estimated that the City would distribute approximately 15,000 green bin units over a 2.5 to 3 year period.

The manufacturer, Norseman Environmental, has supplied a per unit cost of \$15.75, excluding taxes and delivery for a 13 gallon green bin as per their quote. This translates into an annual cost of approximately \$70,000, excluding taxes and delivery, or \$210,000.00, excluding taxes and delivery over a period of 3 years.

Funds to cover the cost for the supply and delivery of green bins to the City is included in the City’s annual Operating Budget.

Communications Plan

No communication plan is required.

Purpose

To seek approval to enter into a single source agreement with Norseman Environmental for the supply and delivery of 15,000 13 gallon household organic curbside containers, commonly referred to as the “green bin”.

Background - Analysis and Options

The City commenced its household organics (green bin) collection program in November of 2006 (Phase 2 of Greening Vaughan). Several months previous to this launch date, the City issued a

competitive bid process for the Supply and Delivery of Green Bins and In-House Organic Containers (Bid No. T06-065 – April 2006).

Two bids (Rehrig Pacific and Norseman Plastics) were received. These bids were evaluated against 6 pre-determined criteria which were articulated in the bid document itself. The 6 criteria were: Bidder (5%); Green Bin Container (50%); In-House Container (5%); Price (20%); and Delivery and Storage (15%) and Warranty (5%). As part of the evaluation of the containers and the Bidder, staff developed a host of specific measures for each of the criteria identified above. The bids were evaluated by a team comprised of staff from the departments of Public Works, Purchasing and Building and Facilities.

The quantity identified in the original Bid document T06-065 was 73,000 units, of which approximately 66,000 units were delivered to residents during the initial roll out. The remaining inventory (of approximately 7,000 units) was distributed by the City over the following two years (until approximately September 2008).

The selected Bidder for Bid T06-065 was Norseman Plastics (Environmental). The price for the 'Norseman' green bin at that time was \$13.61 / unit or a total cost of \$993,530, excluding taxes and delivery. (Note: the aforementioned bid document also contained line items for the in-house organic containers and delivery of both the green bins and in-house organic containers to residents' homes).

Given the City has depleted its inventory of green bins as identified in the original bid document of T06-065, it is necessary to secure the provision of green bins (including cost) for the next several years. The rationale for staying with the same green bin container manufacturer is as follows:

- The container has met the required specifications in the initial competitive bid process;
- The container is the same as the one already used by the City therefore providing standardization (Note: the City has been using the Norseman Environmental green bin for approx. 3.5 years);
- The container is the only one used by York Region municipalities and is therefore beneficial for shared advertising efforts;
- The container is used in basically all municipalities in southern Ontario that have chosen to implement a curbside household organics collection program. These municipalities include: Toronto, Sudbury, Simcoe, York (via the nine municipalities), Hamilton, Halton, Durham, Niagara, Waterloo, Peel, Dufferin, Muskoka, Ottawa and Kingston (Note: Rehrig Pacific - the other manufacturer of green bins - has some product in Hamilton);
- The contract for green bins was established by the City determining the green bin of choice.
- The Norseman green bin is sold in various retail outlets. This provides residents an option to purchase the same 'green bin' container at locations other than designated City locations;
- Norseman Environmental will inventory green bins, at their warehouse, for the City. Otherwise, the City would have to find space to inventory 4,300 (+/-) green bins annually.
- Norseman Environmental will recycle the damaged green bins returned; and
- The City sells the Norseman green bins and blue boxes at the Joint Operations Centre; designated Community Centres; and mobile sale events including the 4 annual Environment Day events and the Public Works Day event. It is significantly more efficient for staff to have the blue boxes and green bins supplied by one manufacturer (i.e. streamline orders, delivery dates, invoices, receiving staff etc.).

The price of the Norseman green bin for the last few years has remained the same as the initial bid submission of April 24, 2006. Norseman has held this price even after the depletion of the initial order (73,000 units) in September of 2008.

Other municipalities are paying in the neighbourhood of \$15.00 - \$17.50, excluding taxes and delivery per unit, which is in comparison with the current quote provided by Norseman (\$15.75). The variation in price primarily depends on volume ordered.

It is anticipated that the City will distribute approximately 4,300+ units in 2010. This translates into an annual cost of approximately \$70,000, excluding taxes and delivery. It is also anticipated that the volume for 2011 and 2012 would be similar to that projected in 2010 for total cost of \$210,000.00, excluding taxes and delivery.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and ties into the following Vaughan Vision 20/20 Goals and Objectives:

Goal: Service Excellence
Objective: Lead and Promote Environmental Sustainability.

Regional Implications

There are no regional implications as a result of approving the recommendations contained in this report.

Conclusion

The City's household organics waste diversion program has proven to be successful. In 2009, Vaughan's residents diverted 29% of their waste through the "green bin" curbside collection program. This demonstrates that residents have not only embraced the organics diversion program, but also the use of the Norseman "green bin".

The Norseman "green bin" has proven to be the standard container which municipalities choose for their manual household organic curbside collection program. The Norseman "green bin" has been used in the City for approximately 3.5 years and is used by all of the municipalities in York Region. Aside from benefitting from shared advertising efforts, residents also have choice to purchase the same green bin from participating retail outlets.

Of equal benefit, is the fact the Norseman will hold a minimum inventory of green bins (& blue boxes) on their manufacturing floor. The City of Vaughan is the only municipality Norseman has agreed to do this for, at no additional cost. Typically, municipalities are required to receive the entire shipment – and it is up to the municipality to allocate space for such an inventory. The City simply does not have the space to receive the entire shipment. In addition, Norseman will recycle damaged green bins and blue boxes brought in by residents – again, at no additional cost to the City.

It is for these reasons staff recommend that the City enter into a single source agreement with Norseman Environmental for the supply and delivery of 15,000 13 gallon (residential) household organic curbside containers, commonly referred to as the "green bin" at a cost of \$15.75, excluding taxes and delivery per unit for the next 3 years.

Attachments

N/A

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Respectfully submitted,

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