

## **2**

### **YORK REGION TRANSIT WASTE-RECYCLING CONTAINERS AT YORK REGION TRANSIT FACILITIES**

**The Transit Committee recommends:**

- 1. The presentation by Ann-Marie Carroll, Facilities Supervisor, be received; and**
- 2. The recommendations contained in the following report, June 6, 2005, from the Commissioner of Transportation and Works be adopted.**

#### **1. RECOMMENDATIONS**

It is recommended that:

1. The Region enter into a contract with Creative Outdoor Advertising in respect of the design, supply, installation and maintenance of waste-recycling containers with advertising panels at transit facilities, pursuant to the sole source provision of the Purchasing By-law, and that the contract provide for the payment of advertising revenue to the Region over the five-year term of the contract.
1. Regional Council authorize the execution of contracts with the local municipalities to install waste-recycling containers at designated transit facilities on road allowances under their respective jurisdictions.
2. The Regional Chair and Clerk be authorized to execute contracts subsequent to recommendations 1 and 2, subject to the prior review of Legal Services.

#### **2. PURPOSE**

York Region Transit (YRT) staff is seeking approval from Transit Committee and Regional Council to execute a contract with Creative Outdoor Advertising for the design, supply, installation and maintenance of waste-recycling containers at York Region Transit's bus stops and other transit facilities, including the new Viva stations.

#### **3. BACKGROUND**

On September 16, 2004, YRT staff submitted a report seeking Transit Committee and Regional Council approval to issue a Request for Proposal (RFP) for the design, installation and maintenance of waste-recycling containers with advertising panels. The

containers would be installed at bus stops and other transit facilities such as terminals. Staff was to report back to Transit Committee and Regional Council with the results of the RFP.

The new containers will be installed at transit facilities on both Regional and local municipal road allowances. YRT staff was to request the local municipalities to endorse the concept of waste-recycling containers at designated transit facilities on the road allowances under their respective jurisdictions.

#### **4. ANALYSIS AND OPTIONS**

To solicit interest in the project and to qualify potential vendors, staff felt that it would be advantageous to issue a Request for Qualifications (RFQ) prior to the RFP. The RFQ document was issued on March 2, 2005 by the Region's Supplies and Services Branch.

The anticipated result of the RFQ was that a short list of vendors would be established. Staff would be assured that vendors submitting a proposal in response to the RFP would have the capital means and the ability to meet the mandatory requirements, and also provide the services stipulated within the RFP document.

##### **4.1 Request for Qualification**

The RFQ was advertised through the Electronic Tender Network and the Toronto Star, and ten known vendors were invited to pick up the document. Six vendors requested a copy of the document.

The RFQ's terms of reference required the Respondents to provide:

1. A waste-recycling container with the ability to accommodate advertising.
2. Alternative waste containers for heritage and space-restricted locations.
3. Newspaper box organizers.
4. Installation.
5. Removal where necessary.
6. Collection vehicle equipped to collect both waste and recyclable material.
7. Staff.
8. Licences.

The Respondent was required to begin installation of the containers by July, 2005 and the term of contract was for a guaranteed three year period with the option to extend the contract for a further two years.

The RFQ was open for approximately three weeks to allow Respondents enough time to fully understand the document and to form alliances with other agencies or contractors if necessary.

The Respondents were requested to submit documentation to address a set list of criteria that would be used to evaluate their submissions, including:

1. Mandatory submission requirements. (Only those submissions that passed the mandatory evaluation would proceed to the technical evaluation process.)
2. Understanding of the project and intended approach.
3. Successful business experience.
4. Qualifications of potential key personnel.
5. Ability to obtain the required equipment and licences necessary.

The evaluation process would short-list Respondents by ranking their submission based on the technical evaluation criteria as noted above (items 2 – 5). Only those submissions that scored a minimum of 70% would be placed on the short list.

The RFQ closed on March 23, 2005.

#### **4.1.1 Results of the Request for Qualification**

Creative Outdoor Advertising (COA) was the sole Respondent to the RFQ. Their submission was examined by Supplies and Services for compliance with the mandatory submission requirements. A team comprised of YRT and Supplies and Services staff evaluated the submission to ensure that their technical component scored the minimum requirement of 70%.

Highlights of the COA submission are:

- COA can provide a waste-recycling unit reflective of that described within the RFQ. The container offered by COA is labelled the “Concourse”.
- COA can meet YRT’s requested July, 2005 delivery with the first 80 units and 80 units each month after that.
- Will collect waste-recycling material and perform required maintenance.
- Will work with Region staff to select and provide alternative waste-recycling containers for the heritage districts and space-restricted locations.

YRT staff met with Regional and local municipal waste management staff on May 12, 2005 to introduce them to the “Concourse” container and to provide details of YRT’s plan to introduce a waste-recycling program at designated transit facilities. Eight of the nine municipalities were represented at this meeting. The local municipalities have requested YRT to increase its waste collection program and felt that this was a positive initiative. They asked that YRT include a resource sharing clause in the future quotation document so that they may obtain their own waste-recycling containers from COA at a later date. YRT will continue to work with both the Regional and local municipal waste management staff to implement the program and ensure continued success.

## **4.2 Request for Quotation**

Since COA was the sole respondent to the RFQ, it was determined by Supplies and Services that the Region's Purchasing By-law would permit a contract to be negotiated with COA. The issuance of an RFP was therefore no longer necessary. Instead, a quotation document was issued to COA. The content of the document is similar to the previous RFQ. The purpose of issuing the quotation document is to define the scope of work and other requirements, and to seek revenue dollars for the Region from the sale of the advertising panels.

### **4.2.1 Results of the Request for Quotation**

The Request for Quotation was issued to COA on Thursday, May 26, 2005, and closed on Thursday, June 9, 2005, with the following result.

The terms and conditions that COA has agreed to are based strictly on the content of the quotation that was issued May 26, 2005. The terms and conditions include:

- Contract term of five years. Terms may be extended, subject to Council approval.
- Installation of new containers beginning July, 2005. It was anticipated that there would be approximately 400 advertising and 300 non-advertising waste-recycling containers installed within the term of the contract. The installation of all waste-recycling containers would be 75% complete within the first two years of the contract. The number of waste-recycling containers to be installed in each year, either advertising or non-advertising, may increase or decrease.
- Design, supply and maintenance of the containers.
- The supply of optional waste-recycling containers to suit heritage/ streetscape districts and space-restricted locations.
- Accessories such as newspaper box organizers, benches and bicycle racks upon request by the Region.
- Provision for the Region and its partners to have 10% of the total number of advertising spaces for their use and to make available any unused advertising spaces. In both cases there would no rental fee to the Region or its partners.
- To collect both waste and recyclable materials from the containers on both a scheduled and unscheduled basis.
- To deliver the waste and recyclable materials to the Region's new processing centre located in East Gwillimbury.
- To provide the Region with twelve post dated revenue cheques in each term of the contract, dated the 1<sup>st</sup> of each month, for the Region's portion of the advertising revenue earned from the sale of the advertising spaces on the waste-recycling containers. (See Table 1, Advertising Revenue)

**Table 1**  
Advertising Revenue

| Contract Year | Number of Units | Advertising Revenue Per Unit                                                                                                                      | Total Annual Advertising Revenue |
|---------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| 2005          | 200             | <p><b>Quotation is to close on June 9, 2005.</b></p> <p><b>Revenue dollars to be reported verbally to Transit Committee on June 16, 2005.</b></p> |                                  |
| 2006          | 300             |                                                                                                                                                   |                                  |
| 2007          | 335             |                                                                                                                                                   |                                  |
| 2008          | 370             |                                                                                                                                                   |                                  |
| 2009          | 400             |                                                                                                                                                   |                                  |

For the purpose of comparison, YRT staff contacted several agencies currently providing an on-street waste-recycling program.

**Table 2**  
Advertising Revenue Received by Other Government Agencies

| Agency          | Number of Units | Advertising Revenue Per Unit Per Year | Container Type        | Comments                                                                  |
|-----------------|-----------------|---------------------------------------|-----------------------|---------------------------------------------------------------------------|
| City of Toronto | 4000            | \$240                                 | Eucan-waste/recycling | City pays staff to collect and dispose of waste/recycling material        |
| City of Barrie  | 49              | \$120                                 | COA waste/recycling   | City pays a contractor to collect and dispose of waste/recycling material |
| Town of Markham | 35              | \$120                                 | Eucan-waste/recycling | No additional costs incurred by the City                                  |

In the City of Toronto, Eucan provides and maintains the containers and sells the advertising space. The City is responsible for the collection and disposal of the waste and recyclable material and pays the costs associated with these activities. The revenue dollars paid to the City by Eucan would offset the cost, or a portion thereof, of the collection and disposal.

The waste-recycling program in the City of Barrie is similar to the City of Toronto with the exception that the waste-recycling material is collected and disposed of by a hired contractor.

The Town of Markham's agreement with Eucan stipulates that the contractor provide and maintain the container, collect the waste and sell the advertising space, all at no cost to the Town. However, the Town forfeits 100% of the revenue to the contractor for the first five years and in the next five years, the Town of Markham will receive \$10 per container, per month totalling \$120 annually for each container.

#### **4.3 Relationship to Vision 2026**

YRT will work with Regional staff, local municipalities and other partners to support the goals stated in York Region's Vision 2026 "Infrastructure for a Growing Region" and in particular promote the action item "Managing and Minimizing Waste":

- *Encouraging continued diversion of waste from landfill including recycling*
- *Enhancing public awareness programs about recycling*
- *Pursing new technologies to reduce and handle waste*
- *Being a leader in waste reduction*

### **5. FINANCIAL IMPLICATIONS**

The Region will benefit from an annual cost savings of approximately \$100,000 from the Transit operating budget for waste collection. In addition, future dollars to purchase waste receptacles would no longer be necessary. Based on the average cost of a waste receptacle being \$1,000 each, the estimated cost savings to the Region is \$572,000. This assumes a receptacle at every bus shelter, plus others at terminals and other facilities.

In addition to the cost savings, the Region will receive revenue dollars in each year of the contract from the advertising panels.

### **6. LOCAL MUNICIPAL IMPACT**

The local municipalities will benefit from the increased number of waste containers on the boulevards. Increasing the number of waste containers along municipal boulevards will reduce the amount of waste requiring pick-up by staff or contractors.

Currently, the local municipalities receive, through Waste Diversion Ontario, 100% funding on the total recyclable material tonnages collected and processed through the Region. The funding dollars are shared amongst the nine local municipalities. Additional tonnages will increase the dollars refunded to the local municipalities from this program.

### **7. CONCLUSION**

Waste-recycling in public spaces offers a visible commitment to recycling by the Region and promotes waste diversion. The advertising revenue allows the vendor to provide a complete service at no cost the Region and provides a source of revenue for the Region.

Both YRT and Rapidco staff agree that the "Concourse" is a suitable waste-recycling container for all York Region bus stops and facilities. There has been interest shown by

some of the local municipalities in the “Concourse” unit. They may pursue their own agreements with COA.

YRT staff recommends that contract Q05-00 for the design, installation and maintenance of waste-recycling containers be awarded to Creative Outdoor Advertising for a term of five years as outlined in this report.

The Senior Management Group has reviewed this report.