

**MEETING DATE:** August 31, 2005

**SUBJECT:** Notice Of Award Of Procurement Authorization – Fabrication And Delivery Of Stainless Steel Waste Receptacles

### **RECOMMENDATION**

It is recommended that the Commission receive the notice of award of Commissioner Ashton, Commissioner Giambrone and the Chief General Manager approving:

1. the award of a contract for the fabrication and delivery of 375 stainless steel waste receptacles to Royal Laser MFG. Ltd. in the amount of \$277,725.00; and
2. an over expenditure, in the 2005 TTC Operating Budget, in the amount of \$177,725.00, in order to cover all costs for the fabrication and delivery of 375 stainless steel waste receptacles.

### **FUNDING**

An allowance of only \$100,000.00 of the \$277,725.00 required is included in the 2005 TTC Operating Budget. Staff will monitor expenditures in an effort to identify under expenditures to offset the increase in funding required for this purchase.

### **BACKGROUND**

At its meeting of July 13, 2005, the Commission approved the revisions and updates to the Authorization for Expenditures Policy/Instruction, which states that *“The Commission delegates authority to the Chair, Vice-Chair and the Chief General Manager to authorize items on an interim basis that would normally be authorized by the Commission when the approval is required before the next Commission meeting. In the event that the Chair and/or Vice-Chair are not available, authority would be delegated to any two Commissioners and the Chief General Manager.”* These authorizations are to be followed up by a notice of award Commission report that is to be submitted to the next scheduled meeting.

At the Committee of the Whole meeting on July 14, 2004, concerns were raised on the suitability of existing TTC waste receptacles and used newspaper boxes, in view of the threat of terrorism to our subway system. A new design using clear bags was presented as an alternative. TTC staff was directed to install the proposed receptacle at two subway stations for a trial period of one month. A risk assessment was also undertaken to evaluate the proposed waste/recycling receptacle redesign.

The newly designed waste receptacles meet customer service, security concerns, cleanliness and waste diversion objectives. As a result, at the Committee of the Whole meeting on October 20, 2004, staff recommended the Commission replace the existing 1,600 TTC waste receptacles and 440 boxes for used newspapers with a smaller number of the newly designed receptacles that provide more recycling options, e.g. cans & bottles. It was further recommended that waste/recycling receptacles be eliminated at platform levels where feasible.

There are two types of newly designed units, one type with three individual receptacles (i.e. litter only, cans/bottles and newspapers/magazines) and the other type with two individual receptacles (i.e. litter only and cans/bottles). There are 298 triple receptacles and 73 double receptacles to be installed for a combined total of 375 units that will replace all of the existing waste receptacles and used newspaper boxes in the subway system.

## **DISCUSSION**

Design specifications were prepared and proposals requested for the fabrication and supply of the stainless steel waste receptacles. An advertisement was placed on the Commission's web site on May 18, 2005 and, in addition, 14 companies were invited to submit proposals. Five companies submitted proposals as summarized on Appendix "A".

The low price proposal from Royal Laser MFG. Ltd. included all the required documentation to the Commission's proposal specifications. In addition, the submission by Royal Laser MFG. Ltd. did not contain any exceptions or qualifications. Reference checks were conducted with the City of Toronto, City of Hamilton and City of London who have been supplied with waste receptacles of another type manufactured by Royal Laser MFG. Ltd. All references were satisfied with the product supplied by Royal Laser MFG. Ltd. The specified lead time for the delivery of the waste receptacles is 145 days after notification of award. The proposal submitted by Royal Laser MFG. Ltd is considered acceptable and is recommended for award in the amount of \$277,725.00.

The proposal submissions from M.J. Manufacturing, D.J. Industrial Sales & Manufacturing, H.J. Skelton Canada Ltd. and Envyrozone Inc., who offered five options, were all considered compliant to the proposal specification, but were higher priced.

This is a first time procurement for waste receptacles of this kind and, therefore, no price comparison is available.

## **JUSTIFICATION**

New waste receptacles will address security concerns and assist in meeting legislative requirements for waste management.

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July 12, 2005

6-137

Attachment: Appendix "A"

**PROCUREMENT AUTHORIZATION –  
FABRICATION AND DELIVERY OF STAINLESS STEEL WASTE RECEPTACLES**

**SUMMARY OF PROPOSAL PRICING**

	<b>Royal Laser Mfg. Ltd.</b>	<b>M.J. Mfg.</b>	<b>D.J. Industrial Sales &amp; Mfg.</b>	<b>H.J. Skelton Canada Ltd.</b>	<b>Envyrozone Inc.</b>
<b>TOTAL PRICE</b>	*\$277,725.00	\$306,705.00	\$338,238.00	\$395,456.25	Option 1 \$645,408.75 Option 2 \$664,038.75 Option 3 \$536,354.25 Option 4 \$587,604.00 Option 5 \$338,531.25

\* Recommended for award.

Engineers Estimate: \$430,000.00