

**CITY OF HAMILTON**

***PUBLIC WORKS DEPARTMENT  
Waste Management Division***

**Report to:** Chair and Members  
Public Works,  
Infrastructure &  
Environment Committee

**Submitted by:** Scott Stewart, C.E.T.  
General Manager  
Public Works Department

**Date:** September 27, 2006

**Prepared by:** Blair Smith  
Extension 4770

**SUBJECT: Contract Extension with Recycled Materials Marketing (ReMM)  
(PW06132) - (City Wide)**

**RECOMMENDATION:**

- (a) That Recycled Materials Marketing (ReMM) continue to be retained for the marketing of the City's recyclables for 2007 and 2008.
- (b) That the General Manager of Public Works be authorized to enter into an agreement with ReMM.
- (c) That the annual cost not exceed \$100,000 and be funded from operating account No. 512520-55916.

---

Scott Stewart, C.E.T.  
General Manager  
Public Works

**EXECUTIVE SUMMARY:**

In October 2003 Report PW03169 - Marketing Services for Recyclable Commodities was presented and approved by Council. Direction was given authorizing staff to enter into an agreement with Recycled Materials Marketing (ReMM) for the marketing of recyclables collected through the City's recycling program for 2004, with allowance to extend up to and including 2006.

The City's contract with Recycled Materials Marketing (ReMM) comes to an end this year. Given the positive results ReMM has shown since they were retained by the City in 2002, staff are recommending that this company continue to be utilized for 2007 and 2008. Under the service arrangement with ReMM, this company provides marketing

**SUBJECT: Contract Extension with Recycled Materials Marketing (ReMM)  
(PW06132) - (City Wide) - Page 2 of 4**

services for all of the recyclable commodities. The scope of services includes negotiation of pricing with end markets, transportation as required, reporting on inbound and outbound loads to the Materials Recycling Facility (MRF) and working with Finance staff to monitor payments from end markets.

The annual cost for this service is \$100,000 and this amount has been included in the Waste Management Division's annual operating budget for the last three years. No changes are expected to the budget for 2007 and 2008.

**BACKGROUND:**

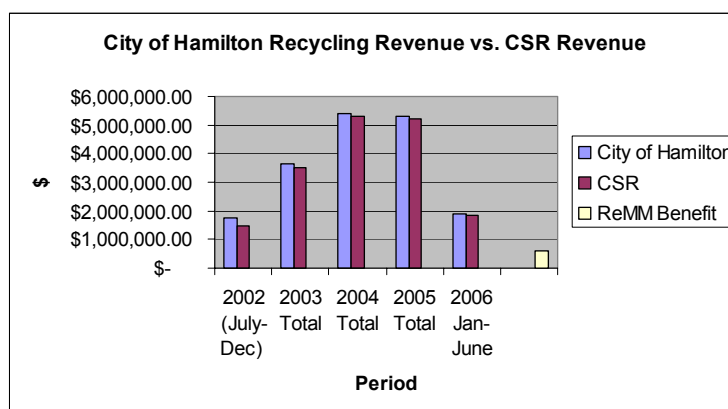
ReMM was retained by the City in June of 2002 as a result of an unsolicited proposal, which outlined their ability to substantially increase the City's recyclable revenues. Report PW03029 was presented and approved by Council in April 2003, acquiring the services of ReMM for the remainder of 2003 and staff was to report back on a course of action with respect to the provision of marketing services before the end of the year. This led to Report PW03169 - Marketing Services for Recyclable Commodities being prepared and presented to Council later in 2003. The agreement with ReMM will expire at the end of this year. The City continues to require marketing services and as a result staff has prepared this report for Council consideration.

**ANALYSIS/RATIONALE:**

In 2003, Council approved recommendations that Recyclable Materials Marketing (ReMM) be the City's consultant for the marketing of recyclable commodities for 2004 with options for the General Manager of Public Works to extend the contract annually for two (2) years. The arrangement with ReMM ends at the end of this year. ReMM was paid a marketing fee per tonne plus incentives if revenues exceeded the budget for the given year, all to a maximum of \$100,000 per year. Each year \$100,000 has been included in the Collections operating budget and the compensation to ReMM has been within budget.

The marketing services provided by ReMM has been very positive for the City. Compared to the provincial commodity revenue average (data provided by Corporation Supporting Recycling (CSR) data sheets), the City has exceeded the provincial average by approximately \$625,000 since 2002 when ReMM began marketing services for the City. The following table summarizes the annual comparison between City revenues compared to the CSR data sheets.

**TABLE 1**



**SUBJECT: Contract Extension with Recycled Materials Marketing (ReMM)  
(PW06132) - (City Wide) - Page 3 of 4**

ReMM also provides the service associated with reconciliation of all inbound and outbound loads of materials entering and leaving the facility.

It was intended that staff investigate the options for marketing of recyclable materials including in-house marketing, marketing by the MRF operator and continuation of the contracted marketing services. The extended negotiations and contract management required with the current recycling collection contractor has precluded staff from having an opportunity to undertake this analysis. With the contractual arrangements now in place with the collection contractor staff intends to proceed with this review in conjunction with the Recycling Program Review that is underway, for the provision of recycling services in April 2008.

Based on the past performance of ReMM and the Recycling Program Review that is currently underway, staff are recommending that marketing services continue to be provided by this company for 2007 and 2008.

**ALTERNATIVES FOR CONSIDERATION:**

At this time, no further alternatives have been considered. When ReMM's services were acquired in 2003, staff intended to investigate the options for marketing of recyclable materials including in-house marketing, marketing by the MRF operator and continuation of the contracted marketing services. As stated earlier, the on-going negotiations and contract management required with the current recycling collection contractor has precluded staff from having an opportunity to undertake this analysis. With the contractual arrangements now in place with the collection contractor, staff intends to proceed with this review and recommend a course of action to Council for implementation beyond 2008.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

The agreement that presently exists with ReMM to market the City's recyclable materials has a compensation ceiling of \$100,000 per year. A portion of this compensation is incentive based. Recommendations in this report will retain this arrangement. The annual expenditure is included in the Waste Management Division's 2007 operating budget submission, account number 512520-55916.

**POLICIES AFFECTING PROPOSAL:**

Retaining the services of ReMM is being done in accordance with the City's Purchasing Policy #11.- Policy for Negotiations, section 4.11 (1)(f):

*When the single source for the supply of a particular Good and/or Service is being recommended because it is more cost effective or beneficial for the City.*

The proposal is also affected by the Solid Waste Management Master Plan. It more particularly relates to Recommendation #3 which focus on the preservation of landfill capacity and which states:

*Recommendation #3 - "The City of Hamilton must set an aggressive objective of 65% waste diversion by the end of 2008, based upon 2000 waste generation rates."*

**SUBJECT: Contract Extension with Recycled Materials Marketing (ReMM)  
(PW06132) - (City Wide) - Page 4 of 4**

As part of an efficient and effective recycling program, the marketing services used to maximize revenues on collected and processed materials set out by residents, contributes to fulfilling this recommendation.

**RELEVANT CONSULTATION:**

The City's Purchasing Section in the Financial Services Division has been contacted and provided guidance through this process.

**CITY STRATEGIC COMMITMENT:**

By evaluating the "Triple Bottom Line", (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.**  Yes  No

Public services and programs are delivered in an equitable manner, coordinated, efficient, effective and easily accessible to all citizens.

**Environmental Well-Being is enhanced.**  Yes  No

Waste is reduced and recycled.

**Economic Well-Being is enhanced.**  Yes  No

Hamilton's high-quality environmental amenities are maintained and enhanced.

**Does the option you are recommending create value across all three bottom lines?**

Yes  No

This report supports the City of Hamilton's strategic plan in the following manners:

- Sustainability: to contribute to a balanced community, economy and environment; to minimize the footprint of our activities and to do no harm.
- A Healthy, Safe and Green City – Reducing Waste going to Landfills. Council will commit to an aggressive waste diversion rate to increase the lifespan of our landfill and ultimately reduce costs, both financial and environmental, for taxpayers.

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**

Yes  No