SUBJECT: Contract Extension with Recycled Materials Marketing (ReMM) (PW06132a) - (City Wide)

RECOMMENDATION:

(a) That the City continue to retain the services of Recycled Materials Marketing (ReMM) for the marketing and transportation services of recyclable commodities collected from the City's recycling program from January 1, 2009 to March 31, 2013;

(b) That funds continue to be retained in the Waste Management Operating Budget of $100,000 for marketing services (Account 55916 - 512520) and $285,000 for transportation services of recycling commodities (Account 55961 - 512520) from 2009 to 2013.

EXECUTIVE SUMMARY:

In September 2006, Council approved the contract extension with Recycled Materials Marketing (ReMM) as part of Report PW06132 for the marketing of recyclables collected through the City's recycling program for 2007 and 2008.

The City’s contract with ReMM ends on December 31, 2008. Staff is recommending that ReMM’s contract be extended until March 31, 2013, given the positive results ReMM has shown since they were retained by the City in 2002. This fixed term extension coincides with the end date of the current two-stream recycling collection system, which was approved by Council on April 24, 2007 through Report PW07057/FCS07052. The decision to continue with the two-stream recycling system
The marketing service with ReMM ends December 31, 2008. ReMM's compensation is based on a marketing fee per tonne plus incentives if revenues exceed the budget for the given year, to a maximum compensation limit of $100,000 per year.

ReMM's marketing services have been very positive for the City. The City has exceeded the provincial average by an accumulative total of approximately $810,000 since 2002 in comparison to the provincial commodity standards provided by the Corporation Supporting Recycling (CSR). Table 1 summarizes the annual comparison between City revenues compared to the CSR data sheets.

Table 1 - City of Hamilton Recycling Revenue vs. CSR Revenue

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008 (Jan-Jun)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>$6,000,000</td>
<td>$5,000,000</td>
<td>$4,000,000</td>
<td>$3,000,000</td>
<td>$2,000,000</td>
<td>$1,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>CSR</td>
<td>$4,000,000</td>
<td>$3,000,000</td>
<td>$2,000,000</td>
<td>$1,000,000</td>
<td>$600,000</td>
<td>$900,000</td>
<td>$800,000</td>
</tr>
</tbody>
</table>

ReMM also assists with the reconciliation of all inbound and outbound loads of materials entering and leaving the Materials Recycling Facility.

In 2007, ReMM began providing transportation services to transport recyclable container commodities to end markets. This service has improved efficiency since ReMM is directly involved with negotiating commodity revenues and shipping requirements with end markets. These services provided by ReMM, allow them to coordinate better savings on transportation to benefit the City as opposed to Canada Fibers Limited or another external company that is not involved with marketing recyclable container commodities for the City. Expanding ReMM's services in 2007 to oversee the transportation of processed recycling commodities resulted in combined savings of approximately $170,000 in 2007 and 2008 in comparison to previous years.

In a continued effort to find further savings, staff is recommending that ReMM continue recycling commodity transportation services for the City.

ReMM is the only local company that provides one stop shopping of complete commodity marketing and transportation services other than processing companies. Although commodity processors are capable of providing commodity marketing and transportation services, staff's experience is that these arrangements are not preferred as they do not ensure maximum savings and revenue generation for the City. Since 2002 when ReMM's services were acquired, they have provided combined revenue and
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(c) Public Works Strategic Plan

Reviewing costs associated with the marketing and transportation of recycling materials is fiscally responsible and environmentally sustainable. The Public Works Strategic Plan also strives to make Public Works a leader in the "greening" and stewardship of the City. Maximizing landfill space by diverting recycling material is environmentally and fiscally responsible.

RELEVANT CONSULTATION:

Staff from the Purchasing Section of the Financial Services Division were consulted for input on the recommendations contained in this report.

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
The recommendations in the report does not have an impact on staff structure.