



Request for Decision City Council



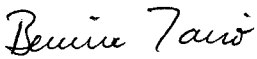

Type of Decision									
Meeting Date	June 13, 2007				Report Date	June 6, 2007			
Decision Requested	X	Yes		No	Priority	X	High		Low
	Direction Only				Type of Meeting		Open		Closed

Report Title
Operation and Maintenance of Landfill Gas Collection System

Budget Impact / Policy Implication		Recommendation	
X	This report has been reviewed by the Finance Division and the funding source has been identified.		
<p>There is sufficient funding in the 2007 operating budget for this contract.</p>		<p>That the Request for Proposal for the Operation and Maintenance of the Landfill Gas Collection System be awarded to Toromont Energy Ltd. in the amount of \$5311.50/month (short term) and \$52,488.00/year (long term), for a period of five (5) years, and</p> <p>That the City retains an option to extend the contract up to three (3) additional 5-year terms subject to negotiations at the end of each term.</p> <p>All in accordance with the report from the Acting General Manager of Infrastructure Services dated June 6, 2007.</p>	
X	Background Attached		Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Greg Clausen, P. Eng. Acting General Manager of Infrastructure Services	 Mark Mieto Chief Administrative Officer

Date: June 6, 2007

Report Prepared By	Division Review
 Bernice Tario Co-ordinator of Waste Disposal	 Danielle Braney Acting Director of Assets and Solid Waste

Background:

The Landfill Gas (LFG) Collection System was installed at the Sudbury Landfill Site to provide long-term control of potential methane-related LFG emissions. Currently, all of the collected LFG is being treated by flaring at the LFG Flare Station. Ultimately, the LFG will be collected and sold to Genco to produce electricity at the LFG Energy Plant, also located at the Sudbury Landfill Site. Toromont Energy Ltd. was awarded the contract by Genco to operate the LFG Energy Plant. It is proposed that the landfill site will generate enough LFG to operate the LFG Energy Plant for the next twenty years.

A Request for Proposal was drafted and only one bid was only received. The original price submitted (\$6,850.00 short-term and \$67,500 long-term) was negotiated to obtain the best price. A Short Term price of \$5,311.50 per month was negotiated for the operation and maintenance prior to the commissioning of the Energy Plant, and a Long Term price of \$52,488.00 per annum was negotiated for the operation and maintenance of the collection system during and after the commissioning of the Energy Plant. The price is subject to change after 12 months based on the average CPI for the past 12 months. The term is for five (5) years with option to extend for an additional five (5) years subject to negotiations.

It is recommended by staff that it would be beneficial to award this contract to Toromont Energy Ltd. to maintain consistency of the operation of the LFG Collection System with the operation of the LFG Energy Plant. In addition, since the partnership between Genco and Toromont Energy Ltd. will be for a duration of approximately twenty years, it is recommended that staff be able to extend this contract to coincide with this period (i.e. option to extend the contract up to three (3) additional 5-year terms subject to negotiations at the end of each term).

Request for Decision City Council




Type of Decision									
Meeting Date	June 13, 2007				Report Date	June 7, 2007			
Decision Requested	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
Banking Services

Budget Impact / Policy Implication		Recommendation	
<input checked="" type="checkbox"/>	This report has been reviewed by the Finance Division and the funding source has been identified.		
<p>The successful proponent to the RFP for banking services, estimates banking fees for 2007 to be \$92,000 and the budget for 2007 is \$76,500. The budget shortfall of \$15,500 will be funded from the net underexpenditures in Finance.</p>		<p>That the Royal Bank of Canada be appointed bankers for the City of Greater Sudbury for a period of 5 years with the option to renew for an additional 3 years.</p>	
<input checked="" type="checkbox"/>	Background Attached	Recommendation Continued	

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer	 Mark Mieto Chief Administrative Officer

Date: June 7, 2007

Report Prepared By	Division Review
 Paddy Buchanan Acting Manager of Accounting	

BACKGROUND

Through a competitive tendering process (RFP) in 2000, the Royal Bank became our vendor of record for banking services. The term of the agreement was for three years with an option to extend for an additional two years. The City exercised the option and the five year term expired April 24, 2006. On October 25, 2006, Council passed a resolution extending the contract with the Royal Bank to June 30, 2007 in order to allow for sufficient time to undertake a new competitive bidding process for banking services.

On March 15, 2007, the City issued a Request for Proposals for banking services for the City of Greater Sudbury. This report highlights and makes recommendations related to the Request for Proposal process that has now been undertaken.

SUBMISSIONS

Proposals were received from three proponents:

- TD Commercial Banking
- RBC Royal Bank
- Desjardins

EVALUATIONS

The submissions were evaluated on the basis of evaluation criteria that assessed the institutions ability to meet the City's service requirements, banking requirements and price. Each proposal was rated against these criteria and the scores ranged from 79 to 129 out of a total available points of 150. The successful proponent was RBC Royal Bank since they scored the highest points in the evaluation.

COST

The cost of banking services is driven by the number of transactions that are actually processed by the bank. In the pricing proposal, we requested an overall estimate of banking fees based on our historical volume history. We also obtained unit pricing for 10 high volume banking activities. The successful proponent has estimated cost of banking services for 2007 projected on 2006 volume transactions to be \$92,000. In all instances, except one the Royal Bank transaction unit fees were lower than the other proponents. The transaction fees as specified in the proposal will remain fixed for the five year term of the contract. The extension of the contract will be subject to satisfactory negotiation of all terms and conditions of the contract.

CONCLUSION

In conclusion, it is recommended that RBC Royal Bank be appointed banker for the City of Greater Sudbury for a period of 5 years with an option to renew for an additional 3 years.