

TO: MAYOR & COUNCILLORS
FROM: DEPUTY GENERAL MANAGER FINANCE
SUBJECT: **CR – MATTRESS RECYCLING AND RELATED HAULING SERVICES**
PURPOSE: To obtain Council approval for a Contract Renewal (CR) for Mattress Recycling and Related Hauling Services.

RECOMMENDATION

THAT a contract renewal to Pacific Mattress Recycling Inc. for an estimated total cost of \$316,050 including GST in the amount of \$15,050 as outlined in the report titled “CR – Mattress Recycling and Related Hauling Services” dated April 22, 2025 be approved; and,

THAT final payment be based on the actual quantity of services delivered and hourly rates submitted.

1.0 POLICY SECTION

The City’s Change Order Policy requires Council’s approval for change orders, which individually or when accumulated with prior change orders, increases the total value of the contract by \$500,000.

2.0 BACKGROUND

Following a Request for Proposal (RFP) in April 2023, the City awarded a two-year contract from April 1, 2023 to March 31, 2025, with options of up to three one-year renewal options at the sole discretion of the City, to Pacific Mattress Recycling Inc. for a total cost of \$472,098 including GST in the amount of \$22,481. The work includes pick-up of soiled and un-soiled mattresses for recycling and related hauling services.

In December of 2024, due to unforeseen changes in the mattress recycling market, Pacific Mattress Recycling Inc faced significant challenges in off-loading collected mattresses. The market slowdown resulted in reduced processing capacity limiting available options for disposal and increasing costs for the vendor. To ensure uninterrupted service, City staff approved a one-time contract price adjustment. This adjustment was granted with the condition that the new pricing would remain fixed for an additional contract year until March 31, 2026. A contract increase of 68,000 including GST in the amount of \$3,239 was applied to the remaining period of the original contract term.

3.0 GENERAL INFORMATION

This recommendation is to approve a contract renewal for an additional one-year for \$316,050 including GST in the amount of \$15,050. The contract renewals have been necessary due to increased demand from citizens for mattress recycling from the previous years.

The estimated total contract value is \$856,148 including GST in the amount of \$40,769.

Contract History	Date	Accumulative Total Change (including GST)
Original Contract Award	April 2023	\$472,098
First Increase	Dec 2024	\$68,000
First Renewal	Pending	\$316,050
TOTAL		\$856,148

City staff have reviewed the renewal and believe it appropriately addresses the City's needs at a fair cost. The General Manager Engineering concurs with this recommendation.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

RFP #145-05-22 Mattress Recycling & Related Hauling Services (Attachment 1) was publicly advertised. Upon closing, the City received a total of three submissions.

5.0 FINANCIAL CONSIDERATIONS

Funding for this work will be included in the 2025 – 2029 Financial Plan under the Engineering operating budget.

Respectfully submitted,

Ratan Grewal, Deputy General Manager Finance

ATTACHMENTS

Attachment 1 – RFP 145-05-22

REPORT CONTRIBUTORS

This report was prepared by Michael Foxgord, Business Manager Engineering and Rebecca Yeung, Senior Buyer, and reviewed by Robyn Tegart, Senior Manager, Procurement Services.