

Base Level Service for Waste Management Collection Contract

2019-RFP-156

Curbside Collection, Haulage of Garbage,
Recycling and Organics

October 17, 2019

Stakeholder Consultation

Organization	Action
Apr. 12, 2018	Regional Council approval of proposed service levels for stakeholder consultation
May 2018 to Feb. 2019	Consultation with Local Area Municipalities (LAM) via letters, presentations to Public Works Officials and Councils
Aug/Sept 2018	Consultation with Organizations Representing Businesses
Oct. 22, 2018	Letters to businesses and multi-residential properties
Oct. 23 to Nov. 30, 2018	Online survey
Oct. 30 to Nov. 28, 2018	Community booths and Open Houses
Nov. 8 to Dec. 7, 2018	Telephone survey
Jan. 9, 2019	Presentation of stakeholder consultation results and recommended service level options to Public Works Committee
Jan. 17, 2019	Regional Council approved amended proposed collection service options for circulation to LAMs for comment
Mar. 19, 2019	Regional Council approved collection service options to be included in the Request for Proposal

Stakeholder Consultation Results

LAM positions with respect to EOW collection were presented in PW 20-2019:

- Seven (7) LAM Councils (Fort Erie, Grimsby, Lincoln, Pelham, Port Colborne, Thorold, Welland) voted to support EOW garbage collection.
- Four (4) LAM Councils (Niagara Falls, Niagara-on-the-Lake (NotL), Wainfleet, West Lincoln) voted to not support EOW garbage collection.
- One (1) LAM Council (St. Catharines) voted only to receive the proposed option for EOW garbage collection.

Stakeholder Consultation Results

- Let's Talk Waste Niagara
- Targeted Stakeholder Consultation and Broad-based Community Consultation
- Survey - LDR households were roughly split on supporting EOW garbage collection

Key Dates in the RFP Process

Date	Action
Tuesday September 17, 2019 (2:00 p.m.)	Negotiated RFP (2019-RFP-156) closed
Wednesday September 18, 2019 to Monday September 30, 2019 (12:00 p.m.)	Technical Evaluation of 2019-RFP-156
Thursday October 17, 2019	Council to approve preferred collection scenario
Friday October 25, 2019	BAFO submitted by short-listed proponents
Thursday October 31, 2019 to Wednesday November 6, 2019	Anticipated Negotiation Period
Thursday November 14, 2019	Council approves Optional Services
Friday November 29, 2019	Anticipated execution of agreement
Q4 2019 to Q1 2020	LAMs select enhanced services
Monday October 19, 2020	Anticipated start date

Recommendation

1. That as part of the 2019-RFP-156 Request for Proposal for Niagara Region Curbside Collection, Haulage of Garbage, Recycling, and Organics process, based on the environmental benefits and extending existing landfill capacity, Regional Council **APPROVE** the Every-Other-Week (EOW) collection scenario for garbage collection for all residential properties and for those Industrial, Commercial & Institutional (IC&I) and Mixed-Use (MU) properties located outside Designated Business Areas (DBAs), as a Base Service.
2. That Report PW 61-2019 and Council's resolutions **BE CIRCULATED** to the Local Area Municipalities (LAMs) for their information.

Collection Areas

- The approved collection scenario of EOW or Weekly applies to both Collection Areas
 - **Collection Area One:** Grimsby, Lincoln, Pelham, Thorold, Wainfleet and West Lincoln
 - **Collection Area Two:** Fort Erie, Niagara Falls, Niagara-on-the-Lake, Port Colborne, St. Catharines and Welland
- Two separate proponents will be awarded the contract, one for Area One and another for Area Two

Financial Considerations

- Contract related costs of EOW and Weekly collection scenarios are detailed in Confidential Report PW 62-2019.
- This choice has an impact on the Contract price and is the only factor related to cost that Council must consider in the scope of this report, but other factors will influence final cost of the Contract.
- Proponents submitted pricing on base, enhanced and optional services.

Base Services

- Garbage and Bulky Goods, Blue/Grey Box Materials, Green Bin Material, Leaf and Yard Waste, Brush and Christmas Trees and Batteries from Low Density Residential Properties;
- Garbage, Blue/Grey Box Materials and Green Bin Material from various High-Rise Multi-Residential Buildings, Mixed Use Properties, Multi-Purpose Properties, Industrial, Commercial and institutional (IC&I) Properties, Regional/Municipal Properties, and Educational Facilities.

Enhanced Services

- To be decided upon by the Local Area Municipalities (LAMs).
- Includes services:
 - Public Space Litter collection
 - Public Space Recycling collection
 - Containerized Garbage
 - Containerized Cardboard
 - Additional curbside collection of Garbage, Recycling and Organics
 - Green Cart Switch-Out collection

Optional Services

- Optional Services include:
 - Recycling Collection at Festivals and Special Events
 - Organics Collection at Festivals and Special Events
 - Delivery of Roll-offs for Special Events Recycling
 - Smaller Collection Vehicles
 - Digital Video Recorder Requirements
 - Recycling Collection at Educational Facilities
 - White Goods Collection as a base service
 - Brush, and Leaf and Yard Waste Collection as a base service
- Some Optional Services would be on the requisitions of the LAMs that choose those services.

Contract Costs

- Other municipalities have experienced a significant increase in costs for new or extension of existing contracts as a result of market conditions.
- Contract is being awarded by Collection Area resulting in duplication of some overhead that might lead to an increase in total cost.
- Annual contract price adjustments to account for increases in the cost of living, based on the Ontario Consumer Price Index (CPI).
- Other factors contributing to a potential increase in overall contract cost include wages, fuel, household count increases, and vehicle/technology costs.

A Shift to Extended Producer Responsibility

- Provincial direction for a shift to extended producer responsibility (EPR) model for the Blue Box Program.
 - A phased three-year approach from 2023 to 2025 has been proposed.
- The Contract includes clauses related to early termination based on amendments to legislation and new regulations, and has been structured so that select services can be removed.
- Potential implications for business and the timing of the announcement (August 2019), may have impacted pricing submissions.

EOW Benefits

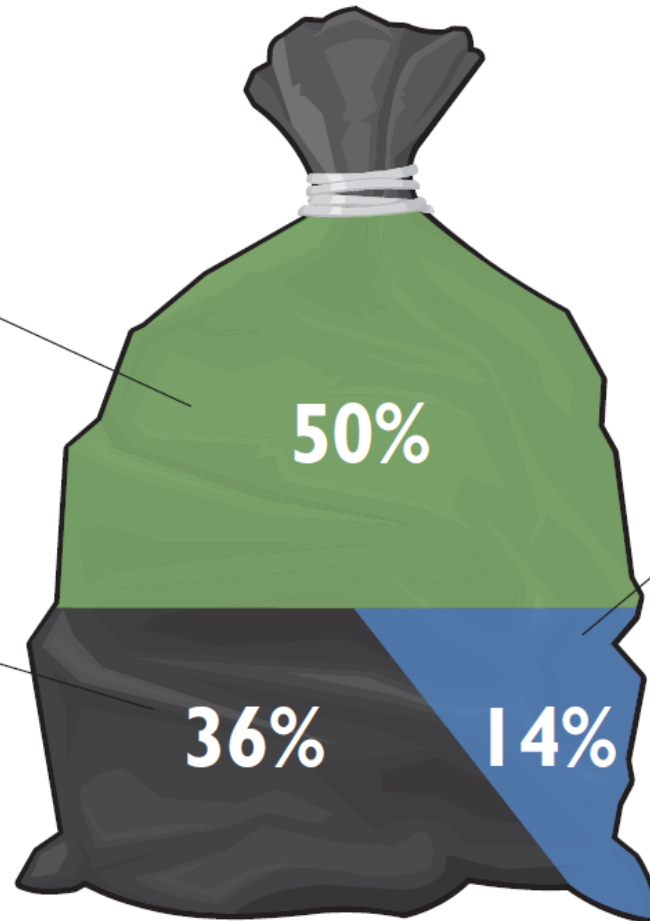


**Organic
Materials**



Garbage:

non-recyclable,
non-compostable
materials



**Recyclable
Materials**

Approximate percentage based on the first 3 seasonal audits of the 2015-16 Waste Composition Study.

Cost Benefits to Niagara Region

EOW collection offers the following cost benefits related to Regional landfills:

1. Extended site life for open Regional landfills
2. Cost avoidance/cost reduction in the landfill contract with Walker Environmental due to an increase in the diversion
3. Long term cost reduction with care and control of landfill sites, due to reduction of organics being landfilled (resulting in improved leachate quality)

EOW Benefits

- Increased net processing revenue from the sale of more recyclables as markets improve in the future
- Increased industry stewardship funding for higher diversion of recyclables material
- Net reduction in Green House Gas (GHG) emissions through increased composting and recycling
- Conservation of valuable resources
- Reduced use of energy and reduced pollution
- It is estimated that for every 1,000 tonnes of waste diverted in Ontario, seven jobs are created through the existing waste diversion programs

EOW Benefits

- The Ministry of the Environment, Conservation and Parks (MOECP) released the Food and Organic Waste Framework
 - Part A: Food and Organic Waste Action Plan
 - Part B: Food and Organic Waste Policy Statement
- The Action Plan outlines strategic commitments to be taken by the province including food and organic waste ban from ending up in disposal sites (phased-in beginning 2022).

Comparator Municipalities

- Approx. 70% of Niagara's 13 comparators provide EOW garbage collection - considered best practice.
- Municipalities reported waste diversion rate increases between 6% and 16% and cost savings of \$200 to \$12M annually.
- Waterloo was the most recent comparator to switch to EOW. In the first year they saw:
 - blue box recycling: increased by 8 per cent
 - green bin organics: increased by 120 per cent
 - yard waste: increased by 4 per cent
 - waste to landfill: decreased by 29 per cent

Comparator Municipalities

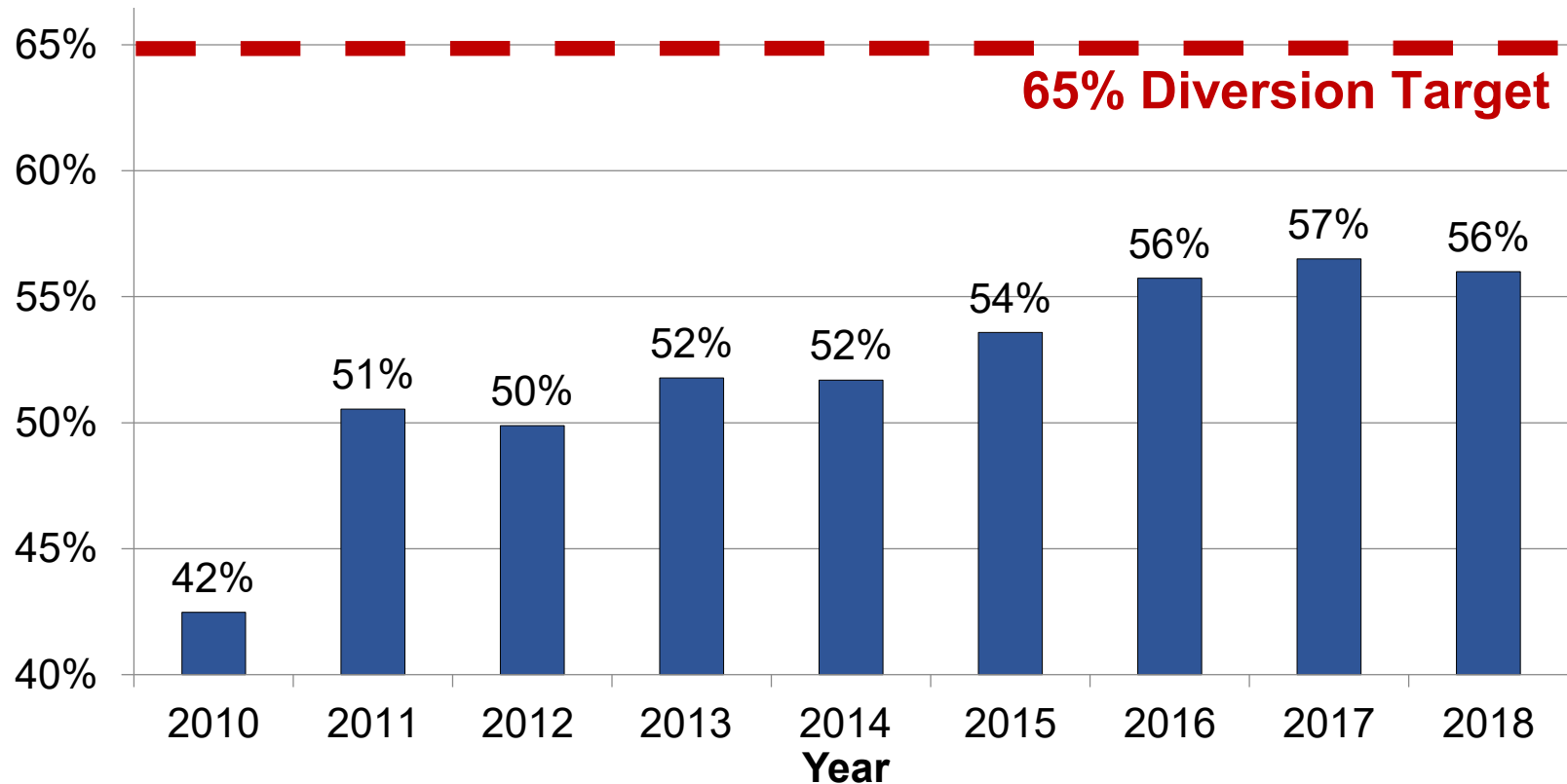
- Generally no increase in illegal dumping or rodents, provided residents use the Green Bin and store waste properly.
- Some residents/businesses initially complained about the reduction in garbage collection frequency, but the complaints subsided after a few months.
- Experiences (i.e. Halton, Peel, and Waterloo) have found that there were no odour/health and safety issues with diapers/incontinence products being picked up in the garbage stream every two weeks.

Service Impact

- EOW garbage collection should not be perceived as a reduction in service.
- LDR properties set out an average of 0.9 garbage containers per week (over 50% of the container comprised of divertible materials – collected weekly).
- Residents will still be able to:
 - Set out two bags/containers every other week
 - Purchase garbage tags for additional garbage
- A comprehensive social marketing and outreach/communication plan will be developed.

EOW Benefits

Niagara Region's Residential Diversion Rate



- EOW is a behaviour change motivator to increase diversion

Alternatives Reviewed

- Only Weekly and EOW garbage collection were reviewed.
- EOW aligns well with Council's Strategic Priority of Environmental Sustainability and Stewardship:
“Drive environmental protection and addressing climate change such as through increasing waste diversion rates and reducing our carbon footprint”.