Consideration of City of Niagara Falls’ Request to Withdraw from Regional Waste Management Services

March 10, 2020
Niagara Region Public Works Committee Meeting
Agenda

Report - PW 14-2020

• Every-Other-Week (EOW) Garbage Collection
• Increased Contract Prices
• Innovation
• Single Stream and Cart-Based Collection
• Financial and Operational Considerations
NRFP Process and EOW Decision

• Following a Negotiated RFP (NRFP) process, on October 17, 2019, Regional Council approved EOW garbage collection.

• Key dates in this process include:

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2018 – Feb 2019</td>
<td>Stakeholder consultation with Local Area Municipalities, business organizations, residents</td>
</tr>
<tr>
<td>Mar 19, 2019</td>
<td>Regional Council approved collection service options to be included in the NRFP, including EOW garbage collection</td>
</tr>
<tr>
<td>Oct 17, 2019</td>
<td>Regional Council approved EOW garbage collection as the preferred collection scenario</td>
</tr>
<tr>
<td>Q4 2019 to Q1 2020</td>
<td>LAMs select Enhanced Services</td>
</tr>
<tr>
<td>Jan 8 -9 2020</td>
<td>Execution of agreements</td>
</tr>
<tr>
<td>Oct 19, 2020</td>
<td>Commencement date of new contract</td>
</tr>
</tbody>
</table>
EOW Garbage Collection

• Only the frequency of collection will change, residents will still be able to set out the same volume of material.
  • For example, residents who currently have a limit of one (1) container (bag/can) per week will be allowed to set out two (2) containers EOW.
  • Garbage tags available for LDR (single dwelling up to 6 units).
• Organics and recycling will continue to be collected weekly.
• Diapers collected weekly.
Typical Garbage Bag in Niagara Region

Organic Materials: 50%

Garbage: non-recyclable, non-compostable materials: 36%

Recyclable Materials: 14%
EOW Benefits

- EOW is a behaviour change motivator to increase diversion.

Niagara Region’s Residential Diversion Rate

--- | --- | --- | --- | --- | --- | --- | --- | --- | ---
Diversion Rate | 42% | 51% | 50% | 52% | 52% | 54% | 56% | 57% | 56%

65% Diversion Target
EOW Benefits (Continued)

• Extended lifespan for open Regional landfills.
• Long term cost reduction related to care and control of landfill sites.
• Reduction of organics being landfilled will result in less methane emissions, reducing the landfill carbon footprint.
• Increased net processing revenue from the sale of more recyclables due to increased volumes.
• Conservation of non-renewable resources.
• Align Niagara Region with impending Provincial ban on the disposal of food and organic waste.
Increased Contract Prices

• Niagara Region has seen an overall increase in the cost of the collection contracts. Similar to other Ontario municipalities, which have experienced increases of 20% to 114%

• Factors that have contributed to this include price increases in:
  • Insurance
  • Vehicle/technology costs
  • Fuel
  • Labour

• Current collection provider was also approximately $4 million less annually than the next lowest bidder in 2009
Innovation

• The NRFP process for the collection contract incorporated innovation in the following ways:
  • NFRP was not prescriptive, provided flexibility to proponents to put forward innovation
  • Points were awarded for innovation in the evaluation of bids
  • Contained clauses encouraging technological innovation including:
    • a green fleet, use of alternative technologies and fuel sources to reduce GHG emissions and the Region’s willingness to participate in technology/service trials.
  • Clause requesting all employees working on the contract earn no less than a living wage as set by the Ontario Living Wage Network
Cart-Based Collection

Key concerns with cart-based service delivery include:

• Significant initial costs for purchase and distribution;
• On-going annual maintenance and replacement costs;
• Storage space requirements for multiple carts; and
• Increased costs for automated collection vehicles.
Single Stream Recycling Collection

Key concerns with single stream recycling include:

- Increased contamination in carts resulting in a decrease in the Region’s revenues and difficulty with marketing recyclables;
- Costs associated with retrofitting Niagara Region’s Material Recovery Facility from current two-stream operation to a single-stream operation; and
- Increased processing costs for recyclable materials.

With the expected shift of the Blue Box Program to the producer responsibility model, municipalities that undertake program changes at this time are at risk of assuming cost and service level implications.
Considerations

• Decrease in customer convenience and accessibility for Niagara Falls’ residents and other users, who will no longer be able to use Regional facilities and services (e.g. landfills, Drop-off Depots, HHW).

• Confusion for residents and service users regarding whom to contact for program information and to report service problems.

• If changes to Niagara Falls’ collection (i.e. single stream recycling) occur, inconsistent service across the region may cause:
  • confusion among service users in Niagara Falls and neighbouring municipalities.
  • increased contamination in the Blue Box and organics program.
Considerations

• Duplication of staff to administer, manage and support the development and implementation of waste management services

• The remaining 11 LAMs receiving waste management services from the Region would experience budget increases:
  • Estimated 25% or $40 per household for 2021 compared to the projected increase of 18.5%; or
  • If Niagara Falls is not required to share in all costs associated with closed landfills and open landfills which have received Niagara Falls’ tonnage, increase would be an estimated total of 27% or $44 per household.
Conclusion

• Based on the legal (see Confidential Report PW 15-2020), financial, operational and customer service considerations identified, it is recommended that Council decline the City of Niagara Falls request to provide waste management services within the City of Niagara Falls.
Questions
On January 30, 2020, Niagara Region received a formal request from the City of Niagara Falls to allow the City to opt out of Regional waste management services.

In response, Regional staff are recommending:

- That Regional Council DECLINE the Niagara Falls request to provide waste management services within the City of Niagara Falls and DIRECT Niagara Region’s Clerk to advise Niagara Falls of the decision of Council;
- That staff PROCEED with the implementation of the contract as approved by Regional Council on October 17, 2019; and
- That Report PW 14-2020 and Council’s resolutions BE CIRCULATED to the Local Area Municipalities (LAMs) for their information.