

COMMUNICATION 135152

Received From: Guy Bourgon, Director of Public Works
Addressed To: Committee of the Whole
Date: June 25, 2024
Topic: Waste Collection and Disposal Contract Award

BACKGROUND

The Town entered into a contract with GFL Environmental Inc. on December 30th, 2020, for the curbside collection and disposal of waste. The initial term of the contract was 5 years with the option to extend the term for two (2) additional one (1) year terms based on agreement between the parties to extend, satisfactory performance and continued competitive pricing. As the Town and GFL failed to come to an agreement on the optional years in recent negotiations, the contract is set to expire on December 31, 2025.

Staff reached out to local municipalities during negotiations with our present provider to ascertain current market pricing for collection and disposal services. The pandemic has had significant impacts on pricing in all sectors including waste. Of the five (5) local municipalities that were negotiating contracts in 2023, all were facing increased costs of 49% or greater from their previous contractors.

COMMENT

With the current contract with GFL set to expire at the end of 2025, Town staff solicited proposals for waste collection and disposal services beginning in 2026, with an initial term of seven (7) years and three (3) optional years based on satisfactory performance and continued competitive pricing, at the sole discretion of the Town. This type of solicitation must be issued early so as to ensure that prospective bidders have sufficient time to procure the vehicles and equipment necessary to undertake the work. Longer contracts are necessary to allow bidders to spread out the procurement cost of vehicles and equipment over the term of the contract.

At closing, staff received the following three (3) submissions. It should be noted that our present budget for waste collection and disposal is \$850,200 based on 5,572 stops and 3,000 tonnes of waste for disposal. The number of stops and tonnage was carried forward in the RFP as we do not know what the numbers will be in 2026 when the new contract goes into effect. Each year, the Town’s waste budget is adjusted based on increased stops and CPI. It should be noted that the costs below reflect manual collection.

CONTRACTOR	2026 COST
Emterra Environmental	\$975,600.73
GFL Environmental Inc.	\$1,444,052.80
Miller Waste Systems Inc.	\$1,587,200.58

After scoring the submissions, Emterra Environmental's proposal scored highest according to the RFP's scoring matrix. The Town has in the past and continues to work with Emterra on Town recycling needs for our municipal facilities. Emterra is presently collecting residential recycling for Circular Materials in Carleton Place. Staff is confident that Emterra have the necessary staff, vehicles and equipment to successfully undertake the collection and disposal of solid waste in Carleton Place.

In order to realize vehicular and fuel cost savings and reduce greenhouse gas emissions, Emterra will be implementing a five (5) day schedule from Monday to Friday inclusive as opposed to our present four (4) day schedule (currently no collection on Tuesday). This will involve some areas changing collection days. A full communication plan will be developed to ensure that residents are made aware of any and all upcoming changes to waste collection prior to the transition date of January 1, 2026.

As part of the solicitation, staff asked bidders to provide an optional price for automated cart collection as opposed to manual collection. This type of collection would involve the distribution of one 80 L cart, at the contractor's expense, to each residence or business receiving Town waste collection. The waste collection vehicle would be equipped with an arm that would mechanically grab and empty the cart and set it back down without the driver leaving the vehicle. The benefit of this technology is that it reduces the labour requirement for collection staff, which many companies have been struggling with of late. Offsetting the benefit would be the need for each residence to store and use a cart, a transition which may not be universally accepted by our residents as some may not have the space to store or be able to physically handle such a cart.

Of the three (3) proposals received, only Emterra provided a cost for automated collection. The cost savings of moving to automated collection with carts would be \$4,884.49 per year. As the cost savings for automated collection is not substantial, staff would recommend continuing with manual collection to avoid any inconvenience to our residents.

FINANCIAL IMPLICATIONS

The Town's 2024 contracted costs for waste collection and disposal is \$850,200.

Based on 5,572 stops and 3,000 tonnes of waste disposed, the 2026 costs would be \$975,600.73; an increase of \$125,400.73 or 7.1% per year from the 2024 contract price, which is far less than has been seen in other local municipalities in recent years, as can be seen by the unsuccessful proposal amounts. The contract will be subject to yearly CPI increases and adjustments to the stop counts. The 2026 budget will need to take into account these waste collection increases.

STAFF RECOMMENDATION

THAT Council award the waste collection and disposal services Request for Proposal (RFP) to Emterra Environmental beginning January 1, 2026, as per the report prepared by the Director of Public Works dated June 25, 2024.