

COMMUNICATION 130205

Received From: Dave Young, Director of Public Works
Addressed To: Committee of the Whole
Date: November 12, 2019
Topic: Waste Management Contracts

SUMMARY

The existing contracts for Solid Waste Disposal, Solid Waste Collection and Blue Box Collection and Processing for the Town of Carleton Place will all come to an end on May 31, 2020. In order to ensure that these essential services continue to be provided to the community, efforts to secure service providers needs to commence.

BACKGROUND

The existing contracts were for a term of seven (7) years and the Town had developed the previous RFP for the aforementioned services with a group of neighbouring municipalities, referred to as the Municipal Waste Group (MWG). The group that had worked together on the last RFP included the Town of Carleton Place, Municipality of Mississippi Mills, Montague Township, Beckwith Township, and Drummond/North Elmsley Township. There is a long history of area municipalities working together in terms of securing waste management services in order to capture potential savings through economies of scale and efficiencies of the tender process.

The municipalities within Lanark County, including the Town of Smiths Falls that have worked together over the years have changed due to different needs and service requirements unique to each municipality, but most municipalities have tried to keep contact expiry dates consistent in order to always have options of participating in group tenders. Staff have had initial communications with other municipalities and there seems to be an interest with some municipalities such as the Municipality of Mississippi Mills and Montague Township to work together on the development of new Request for Proposals for the provision of Waste Management services.

The RFP process utilizes a document that captures the general terms of reference and then each municipality incorporates their unique service requirements. After award of the RFP, each municipality enters into their own contractual agreement with their selected service provider.

Staff has met with our current service providers, GFL Environmental for Blue Box Collection and Processing, and Solid Waste Collection services in order to determine if there was an interest in extending existing contracts for a term of one (1) year, which is an option that is clearly defined within the existing contract. The contractor was only interested if there was a substantial financial increase for the provision of services that goes beyond the terms of the existing contract, therefore all parties discounted this as a viable option.

Upon receiving the GFL response to the contract extension inquiry, it appears all municipal partners are prepared to move forward with the RFP process.

COMMENTS

The reasoning behind the one-year extension request was to allow time for the Provincial Government to develop Regulations under the Resource Recovery and Circular Economy Act that will see the Blue Box Program transition away from being operated and partially funded by municipalities to producers of products and packaging to make them fully responsible. It appears that development of these regulations will commence this fall with an estimated completion date by the end of 2020. The report that the Province has commissioned and accepted provides a recommended timeline that would see full producer responsibility implemented over a period from January 2023 to December 2025 throughout the province. Staff will take this information into account while developing the terms of the RFP.

There are some issues that staff would like to address in the upcoming RFP. The first addresses with the service delivery to Multi-Residential properties in Carleton Place. Currently the Town provides service to multi-residential properties in Town through the existing Solid Waste Collection Contract which means that there is a requirement for these properties to get all materials to the curbside and multi-residential units with five (5) units or more are allocated garbage stickers that are equivalent to one (1) bag per week and two (2) extra tags for the Christmas season; the same service as any other residential unit in Town. The growth in the community, in particular, multi-residential units, are creating issues with large volumes of solid waste and recyclables at the curbside.

Staff, along with our current contractor, have recently undertaken a pilot project with a number of multi-residential property owners whereby large bins are being provided at the sites which they are required to get to the curbside on collection day. The contractor then utilizes a collection vehicle with a mechanical arm mounted on the truck to empty the containers at the curbside. This type of system tends to keep a tidier appearance at the curbside and an easier means for property owners to manage waste materials. If the results are positive, this type of system could be incorporated into the next service contract.

Also, the Town recently provided advance notice of the fact that in the Town's current Solid Waste By-law has an expiry date for any remaining green garbage tags of May 2020. Concerns were raised throughout the community of this pending expiry of green garbage tags. Council may wish to reconsider this decision that was implemented in 2013 when the Waste By-Law was last updated. This existing By-Law will need to be updated in advance of May 2020 in order to incorporate any changes in service delivery of waste collection and disposal and Council can either extend the expiry date or eliminate it all together for the green garbage tags.

Separation of organics from the waste stream and the required weekly collection has been an option that has been considered in the past development of Requests for Proposals. This option has not been pursued to date due to the costs of introducing another waste stream which requires significant haulage to appropriate receivers.

Pricing received in the past has been close to \$300,000 for the initial introduction of the program with pricing being reduced in subsequent years after initial capital costs associated with new bins and promotion have been incurred though still resulting in a significant annual financial impact. Staff feels that at this point in time, introduction of a green bin program would be difficult due to the increased costing the Town is anticipating to receive as part of the RFP submissions once they're received and the fact that it does not appear that any other local municipality is considering this type of program for the upcoming contract cycle. Council can provide direction to staff if this is something they would like to consider.

Lastly, it is anticipated that collection routes and days of collection may be altered due to growth in the community. RFP submissions will require the development of collection routes that take into account the existing community and anticipated growth areas. Maintaining the same collection days for solid waste and blue box for a household will be a requirement of the RFP.

FINANCIAL IMPLICATIONS

The financial implications associated with the RFP will be better defined once the submissions are received. A further staff report will be forthcoming once the RFP submissions have been reviewed by staff.

For information purposes, the current combined budget amount for waste collection, disposal, and blue box collection and processing is \$727,000.

STAFF RECOMMENDATION

THAT Staff work with other local municipalities of similar interests to develop a Request for Proposal for solid waste collection services and disposal, and blue box collection services and material processing; and

THAT proposals incorporate service delivery options for Multi-Residential Properties; and

THAT when the Solid Waste By-law is presented to Council in the spring of 2020, the provision relating to the expiry of the green tags be rescinded.