



Staff Report

Operations – Sustainability & Solid Waste

Report To: COW-Operations, Planning and Development Services
Meeting Date: August 15, 2023
Report Number: CSOPS.23.048
Title: Waste Collection Service Contract
Prepared by: Jeffery Fletcher, Manager of Sustainability & Solid Waste

A. Recommendations

THAT Council receive Staff Report CSOPS.23.048, entitled “Waste Collection Service Contract”;

AND THAT Council direct staff to include \$2,132,525 in the 2024 base budget and \$2,207,155 in the 2025 base budget for the solid waste collection contract.

B. Overview

The Town has completed a Request for Proposal process for new waste collection services. The highest scoring bid is significantly more than the 2024 base budget. This report is intended to notify Council of this expenditure which will be over the projected 2024 base budget.

C. Background

The Town’s waste collection services contract will end September 30, 2023, following an eight-year term. As outlined in staff report [CSOPS.23.023, “Waste Collection Service Procurement”](#), Town staff released a request for proposal (RFP) in June for waste collection services for the next eight years.

The waste services that the Town provides will exclude residential Blue Box in October of this year, as a result of the extended producer responsibility transition. Services the Town will provide under this contract include:

- Curbside and multi-unit garbage and organics collection;
- Seasonal yard waste and Christmas tree collection;
- Container service and commercial blue box at the Landfill and Recycling Depot;
- Curbside commercial blue box; and
- Annual textiles, batteries, and electronic waste collection.

Many municipalities are reporting significant increases in waste collection service contracts. The Town has been largely locked into prices gained eight years ago with only a 3% or less annual increase in unit values.

The Town used a zero-base budget method to propose the 2024 budget. This zero-base budget was created around the existing contract prices. Prices received in the waste collection RFP process are significantly higher than previous contract costs, even with the loss of Town responsibility for residential blue box.

D. Analysis

The anticipated 2024 budget will require an increase to accept the submitted bid pricing. The table below summarizes a comparison of the 2024 anticipated budget to submitted bid prices, with rounding.

Item	Budget	New Contract Price (with rounding)
Total	\$1,390,000	\$2,132,665
Difference		+\$742,665
Tax Levy Impact		+3.79%

The estimated difference for 2024 is an additional \$742,665. Staff are expecting 2023 to end on budget for these costs as Q1 and Q2 have been trending under-budget and the Town will no longer be funding recycling pick-up as of October 1, 2023.

The major increased cost areas are curbside garbage collection, which increased by almost \$723,000 per year, and Christmas tree pick-up which has an increase of more than \$100,000. Two new programs have been introduced (textiles and electronic waste collection) and these new programs have an annual cost which represents a 0.34% increase over the 2023 tax levy. Other areas stayed flat or even decreased over the budgeted amount.

One potential the Town will have for reducing costs is improved blue box participation and bag limits on garbage. The more waste residents get into the blue box the less the Town will pay in garbage collection cost because the Town does not pay for blue box collection and the Town pays for garbage collection by the tonne collected.

The tonnes estimated for annual collection in the RFP could be less than the actual, but they could also be more, which could drive the cost up higher. However, trending in 2023 is revealing a downward trajectory in tonnages compared to 2022. This could be a result of fewer residents using their homes full-time in the Town.

Staff are working with the highest scoring proponent to see if further cost savings can be found.

Once a satisfactory level of service has been reached, staff will finalize award and execute an agreement with the highest scoring proponent.

E. Strategic Priorities

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

F. Environmental Impacts

As outlined in staff report CSOP.23.023, this RFP included a plan for a transition to electrified waste vehicles. The proponent has proposed that by 2026 they will add an all-electric rear-loading co-collection truck for curbside garbage and organics to The Blue Mountains fleet. As part of this commitment to electrification, the Town will be responsible for providing a level III direct current fast charger.

G. Financial Impacts

Staff are forecasting the impact on the new garbage/organics collection contract to be a 3.79% increase to the tax levy for 2024. Staff will continue to work with the highest scoring proponent and internal Town departments to see if more cost savings can be found.

H. In Consultation With

Sam Dinsmore, Deputy Treasurer / Manager of Accounting and Budgets

Serena Wilgress, Manager of Purchasing and Risk Management.

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.

Any comments regarding this report should be submitted to Jeffery Fletcher, Manager of Sustainability and Solid Waste managersolidwaste@thebluemountains.ca.

J. Attached

None

Respectfully submitted,

Jeffery Fletcher,
Manager of Sustainability & Solid Waste

For more information, please contact:
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Report Approval Details

Document Title:	CSOPS.23.048 Waste Collection Service Contract Execution.docx
Attachments:	
Final Approval Date:	Jul 27, 2023

This report and all of its attachments were approved and signed as outlined below:

Jeff Fletcher - Jul 26, 2023 - 1:01 PM

No Signature - Task assigned to Shawn Carey was completed by delegate Shawn Everitt

Shawn Carey - Jul 27, 2023 - 12:36 PM