

COMMITTEE OF THE WHOLE - FEBRUARY 7, 2012

AGREEMENT FOR RESIDENTIAL WASTE COLLECTION SERVICES

Recommendation

The Commissioner of Engineering and Public Works recommends in consultation with Commissioner of Finance and City Treasurer and Commissioner of Community Services, that based on the directive of the December 13, 2011 Finance and Administration Committee meeting (Item 1, attachment 10), to have an Operational Review undertaken with respect to waste collection services:

1. Council direct staff to carry out an Operational Review on waste collection services in 2012;
2. Council authorize staff to negotiate an agreement with the current waste collection contractor, Miller Waste Systems, a Division of Miller Paving Limited, to continue waste collection services at existing levels of services, and within the budgeted funding envelope limits, for a minimum 18 month period, commencing January 1, 2013, which will serve to bridge the time frame needed to complete the Operational Review, prepare a new tender, and award a new waste collection contract;
3. Council authorize the Mayor and Clerk to execute the agreement once it has been finalized.

Contribution to Sustainability

Ensuring waste materials are diverted from landfill is key to the sustainability of the environment, and a well-designed and thought out waste collection system aids in this goal.

The City's "Greening Vaughan" waste collection and diversion program has been in place since 2005. As a result of this award winning program, the City has increased its curbside diversion rate from 17% (pre Greening Vaughan), to 69% in 2011.

Economic Impact

The cost for the current waste collection services is approximately \$105 per year, per household. Based on the current approved levels of service, each household receives 155 collections per year.

Almost \$8.8 million is budgeted annually for waste collection services, and the breakdown of the budget is as follows:

\$ 3,861,792 for Residual Waste (garbage) collection
\$ 2,665,211 for Blue Box (recycling) collection
\$ 1,175,328 for Green Bin (organics) collection
\$ 1,011,928 for Leaf and Yard Waste collection
\$ 9,800 for Appliance collection

The current waste collection contract with Miller Waste Systems has been in place since 2005. For the first 5 years of the contract, prices were held firm. During the current 2 year extension period, costs were allowed to increase based on the C.P.I., to a maximum of 5 %.

Communications Plan

As it is not proposed that waste collection services will change during the proposed short-term agreement period, staff will continue with the existing waste management communications program. The City's Public Works Department produces an annual Waste Collection Guide and Collection Schedule that is distributed to all households that receive municipal waste collection. In addition, two newsletters are produced and distributed to each household annually. The "Greening Vaughan" website also provides additional information on the City's waste collection and diversion programs, and houses the waste lookup tool.

Purpose

The purpose of this report is to seek Council's authorization for staff to enter into an agreement with Miller Waste Systems, the City's current waste collection contractor, to continue waste collection services for a minimum 18 month period, at the existing levels of service. This will allow adequate time to conduct the recommended Operational Review, prepare a new tender, and award a new contract for waste collection services.

Background - Analysis and Options

Current Service Levels and Diversion Results

The City's "Greening Vaughan" program has proven to be extremely successful. With the combined efforts of the residents, staff, and the City's waste collection contractor, the City's curbside diversion rate has gone from 17% (pre Greening Vaughan) to 69% for 2011. The breakdown is as follows:

Source Separated Organics (30%)
Blue Box Recycling (27%)
Leaf and yard waste (11%).

The remaining diversion efforts (1%), are attributed to the Vaughan residents who use the Region's Community Environmental Centre and/or Household Hazardous Waste depots.

A significant factor in achieving such a high diversion rate is ensuring the service levels provided meet the needs of the residents. At the same time, the levels of service must be affordable, sustainable, and promote waste diversion. The existing service levels for curbside residential waste collection are as follows:

- Weekly collection of Blue Box materials
- Weekly collection of Source Separated Organics
- Every other week collection of Residual Waste (garbage)
- Eight weeks of weekly Leaf and Yard waste materials collection in the Spring and Fall, and every other week collection of Leaf and Yard waste materials during the summer
- Two weeks of Christmas tree collection be provided annually
- Bulky items be collected the same day as Residual Waste (garbage)
- 3 item limit for residual waste, with paid tags required for each additional item

Not including Christmas tree collections, or appliance collections, which must be scheduled by the residents, each household receives 155 collections per year.

Program Review

On December 13, 2011, Finance and Administration Committee (Item 1, attachment 10), received the staff report on the 2011 Program Review, which recommended in part, an Operational Review be undertaken with respect to waste collection.

The Operational Review will focus on process effectiveness and efficiency, and assess the delivery of service, resource requirements, and potential efficiency opportunities e.g. outsourcing and alternate service delivery models.

Notwithstanding that Public Works contracts out all residential waste collections, an Operational Review will also provide an opportunity to:

- review existing service levels for residential waste collection
- review the costs and implications of the current manual collection system for residential waste collection vs. moving to an automated or semi-automated (cart) based collection system
- review the current divisions of staff responsibility for collection of waste within the city's municipal buildings, public spaces, and parks, and assess opportunities for increased efficiencies.

Operational Review and Impact on Contract Timing

The current waste collection contract started January 1, 2006, and was timed to coincide with the launch of the City's "Greening Vaughan" program. The contract is for a fixed 5 year term, with an optional 2 year extension period. The optional extension period ends December 31, 2012. There are no additional extension periods in the existing contract. As such, Council approval is required to authorize staff to enter into an agreement with Miller Waste Systems to provide ongoing waste collection services while the Operational Review is being undertaken.

For waste collection contracts, an 8-12 month minimum lead time is typically required. This allows time for the contractor to order and obtain sufficient vehicles to provide the service, and potentially hire and train new staff. Depending on the chassis or body manufacturer's backlog, obtaining such collection equipment can, at times, exceed 12 months.

Should the method of collection change as a result of the Operational Review, i.e. going to a cart-based automated or semi-automated collection system, at least 18 - 24 months would be required in order to develop and provide a proper education and promotion program to the residents, and allow for the necessary vehicles and collection carts to be obtained.

The Operational Review will be undertaken under the general direction of the City Manager's office, and will fall under the newly approved Continuous Improvement division in 2012. The Operational Review of waste collection services will not be completed in time to allow Public Works staff sufficient time to respond to the outcomes of the review, prepare a tender document, and award a new contract, and have a contractor ready to start prior to January 1, 2013.

Given the above, it is recommended that staff be authorized to negotiate an agreement with Miller Waste Systems to continue waste collection services at existing levels of services, and within the budgeted funding envelope limits, for a minimum 18 month period, commencing January 1, 2013. This will allow sufficient time to conduct the Operational Review, prepare a new waste collection tender that will respond to the recommendations coming forth from the Operational Review, and award a new contract.

Relationship to Vaughan Vision 2020/Strategic Plan

The collection of waste and recyclables is one of the most visible services that the City provides to its residents. The City's efforts in promoting waste reduction are also key in ensuring the vision of environmental sustainability is maintained.

The recommendations contained in this report are consistent with the priorities previously set by Council, and tie into the following Vaughan Vision 20/20 Goals and Objectives:

Goal: Service Excellence
Objective: Demonstrate Excellence in Service Delivery
Objective: Lead and Promote Environmental Sustainability

Goal: Organizational Excellence
Objective: Ensure a High Performing Organization

Regional Implications

There are no regional impacts associated with the extension of the City's waste collection contract.

Conclusion

In order to accommodate the Operational Review of the City's residential waste collection services, and to respond to the recommendations that will be generated from such a review, it is recommended that staff be authorized to negotiate an agreement with the current waste collection contractor, Miller Waste Systems, a Division of Miller Paving Limited, to continue waste collection services at existing levels of services, and within the budgeted funding envelope limits, for a minimum 18 month period, commencing January 1, 2013.

Attachments

N/A

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Respectfully submitted,

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