



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Environmental Services Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	September 17, 2018
SUBJECT/REPORT NO:	Third Party Processing of Green Bin Organic Material and Temporary removal of Grass and Leaf & Yard Waste from the Green Bin Program (PW18088) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Emil Prpic (905) 546-2424, Extension 4203 Joel McCormick (905) 546-2424, Extension 5601
SUBMITTED BY:	Craig Murdoch, B.Sc. Director, Environmental Services Public Works
SIGNATURE:	

RECOMMENDATION

- (a) That Council approve the single source procurement, pursuant to Procurement Policy #11 – Non-competitive Procurements, for one or more third-party service providers to process all, or a portion of the City’s organic material collected through the City’s Green Bin program, as outlined in this Report and that the General Manager, Public Works Department be authorized to select, negotiate, enter into and execute short-term Contracts and any ancillary documents required to give effect thereto with third-party service providers selected, in a form satisfactory to the City Solicitor;
- (b) That the cost associated with the short-term contact(s) referred to in recommendation (a) be funded from the Central Composting Facility contractual services operating account 55916-512725;
- (c) That the City of Hamilton temporarily remove grass and leaf & yard waste as acceptable materials within the City’s Green Bin program;
- (d) That \$50,000 from the Central Composting Facility contractual services operating Account 55916, Dept. ID. 512725 be allocated for communicating with City residents about the temporary removal of grass and leaf & yard waste from the

City's Green Bin program and to promote the use of the curbside Leaf & Yard Waste program.

EXECUTIVE SUMMARY

On June 24, 2018, as a result of odour issues at the City's Central Composting Facility (CCF), the City voluntarily began the controlled shutdown of the CCF operations on a temporary basis. Since the temporary closure of the CCF, all City generated organic material collected through the Green Bin program has been going to the Glanbrook Landfill for final disposal.

To maintain program consistency and to achieve maximum waste diversion during the temporary shutdown, City staff have encouraged residents to continue placing their food waste and soiled paper products into their green bin, while utilizing the City's Leaf & Yard Waste (LYW) collection program for the recycling of grass and LYW.

In order to reduce the amount of City green bin organics from being landfilled, Staff are currently investigating the availability of processing capacity at alternative processing facilities, which can process all or a portion of the City's green bin organic material. As a result, Staff is requesting delegated authority from Council to single source to one or more third party processors for the processing of City generated organic material derived from the Green Bin program, and to enter into short-term processing contracts until the CCF is partially or fully operational. The request for delegated authority is being recommended for the following reasons:

- To expedite the process, thereby reducing the amount of organic material being sent to landfill; and
- To maintain flexibility in order to quickly enter into short-term processing agreement(s) when capacity comes available.

Acceptable materials in the City's Green Bin program include food waste, soiled paper products, grass and LYW. As mentioned, staff are currently encouraging City residents to use their green bins for only food waste and soiled paper products, while utilizing the City's LYW collection program to recycle grass and LYW. Staff are recommending the temporary removal of grass and LYW as acceptable materials in the Green Bin program for the following reasons:

- To reduce the amount of organic material currently being landfilled because of the temporary closure of the CCF. Processing grass and LYW at the City's outdoor composting facility will assist in the overall diversion rate and create a beneficial end product;

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- Removing grass and LYW from the City's Green Bin program may open available capacity at alternative processing facilities that only accept food waste but not grass and/or LYW. Through staff's early investigations, it has been determined a large portion of the alternative processing facilities for organic waste do not accept grass and LYW due to processing difficulties and odours caused by these materials; therefore, reducing the potential third party processing options for City collected green bin organics;
- The City currently has a LYW curbside collection program that provides residents with weekly collection of grass and LYW, 52 weeks a year. This collected material is then processed at the City's outdoor composting facility located adjacent to the Glanbrook Landfill at a much lower cost than food waste composting; and
- To reduce the amount of LYW being transported to, and processed at an alternative processing facility. Sending only food waste and soiled paper products to an alternative processing facility will reduce the potential cost associated with alternative processing.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As a result of the temporary closure of the CCF, the operating budget for the processing of organics collected through the Green Bin program is available. Staff recommend using this available 2018 operating budget to fund the third-party processing of green bin organic waste. Staff are proposing funding the cost of the third-party processing from Account #55916, Dept. Id #512725, which currently has a remaining budget of approximately \$1.2M.

Based on staff's understanding of market value of processing a tonne of organic material, the remaining budget could allow for approximately 8,000 to 9,300 tonnes of City green bin organic material processed at an alternative processing facility, although early indications are that we will not find this much third-party processing capacity in Ontario.

Staffing: There are no staffing implications associated with the recommendations in this report.

Legal: There are no legal implications associated with the recommendations in this report.

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HISTORICAL BACKGROUND

On June 24, 2018, the City began the process of voluntarily shutting down operations at the CCF in response to odour issues. As part of the temporary shutdown, the City immediately stopped accepting organic material from the City's Green Bin program.

Due to the temporary shutdown of the CCF, all organic material collected through the Green Bin Program is being redirected to the Glanbrook Landfill for final disposal. As of August 30, 2018, approximately 5,700 tonnes of organic material collected through the Green Bin program has been landfilled.

Following the temporary shutdown, the City issued two media releases and shared information via media interviews and social media encouraging residents in all parts of the city to continue participating in Hamilton's composting, yard waste and recycling programs. In order to maintain program consistency and maximize waste diversion, the City notified residents to dispose of their organic waste in the following manner:

- Food scraps and soiled paper products should continue to go in the green bin
- All yard waste should go in a paper yard waste bag or other clearly marked open top reusable rigid container. All yard waste will continue to be composted at the City's outdoor composting facility located adjacent to the City's Glanbrook Landfill.

City residents were also encouraged to leave their grass clippings on their lawns to reduce the amount of grass being picked up at the curb. Residents who do not wish to leave grass clippings on their lawns were advised to place grass with their LYW for curbside pickup.

As part of the waste management services provided to all City residents, the City offers designated, curbside collection of LYW which includes grass as an acceptable material. This 52 weeks a year service is unlimited in the amount of leaf & yard waste that can be placed at the curb.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Procurement Policy

The request for a single source is being carried out in accordance with the City of Hamilton's Procurement Policy, Bylaw 17-064, Procurement Policy #11 – Non-competitive Procurements. Since the expenditure for these services is expected to exceed \$250,000, Council approval of this single source procurement is required.

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Hamilton's Solid Waste Management Master Plan

The development of the waste transfer and disposal contracts supports the City's Solid Waste Management Master Plan's guiding principles:

- (1) The City of Hamilton must lead and encourage the changes necessary to adopt the principle of Waste Reduction.
- (2) The Glanbrook Landfill is a valuable resource. The City of Hamilton must minimize residual waste and optimize the use of the City's diversion and disposal facilities.
- (3) The City of Hamilton must maintain responsibility for the residual wastes generated within its boundaries.

RELEVANT CONSULTATION

The recommendations in this report were prepared in consultation with staff from the Corporate Services Department, Financial Services Division, Procurement Section. Staff consultation will continue as part of the next steps to complete the procurement process and finalize the contract requirements.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

With the temporary closure of the CCF, organic material collected through the Green Bin program is currently being disposed of at the Glanbrook Landfill. As a result, Staff have been investigating the option of sending all, or a portion of the City's green bin organic material to a third-party service provider(s) for processing.

Staff have been in contact with industry experts and have been notified that there is limited organic waste processing capacity within Ontario. Due to the limited capacity, it is beneficial to maintain flexibility in order to quickly enter into short-term processing agreement(s) with one or more processors. Employing a single source procurement policy would provide the flexibility for staff to enter into a contract(s) expeditiously and, to divert recyclable material that is currently going to landfill because of the temporary closure of the CCF.

The City's Green Bin program accepts food waste, grass, and LYW. During the temporary closure of the CCF it is proposed that all grass and LYW be removed as acceptable materials from the Green Bin program based on the following:

- To reduce the amount of organic material currently being landfilled because of the temporary closure of the CCF. Processing grass and LYW at the City's

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outdoor composting facility will assist in the overall diversion rate and create a beneficial end product;

- Temporarily removing grass and LYW from the City's Green Bin program may open available capacity at alternative processing facilities that only accept food waste and not grass and/or LYW;
- The City currently has a LYW curbside collection program that provides residents with weekly collection of grass and LYW, fifty-two weeks a year. This collected material is then processed at the City's outdoor composting facility located adjacent to the Glanbrook Landfill; and
- To reduce the amount of LYW being transported to, and processed at an alternative processing facility. Sending only food waste and soiled paper products to an alternative processing facility will reduce the potential cost associated with alternative processing.

ALTERNATIVES FOR CONSIDERATION

If Council does not approve the recommendations in this report then Staff will issue a Request for Proposal (RFP) for third party processing of the City's organic material derived from the Green Bin program on a short-term basis. The disadvantage of issuing a RFP is that it will prolong the amount of time that it takes to hire a third-party service provider. Since there is limited and/or short-term organic material processing capacity within the province, it is key to have flexibility to quickly enter into a contract with an alternative processing provider as capacity becomes available.

Another alternative is to continue to accept grass and LYW waste in the Green Bin program. The disadvantages of this alternative are as follows:

- Sending grass and LYW, along with food waste and soiled paper products to a third party processor for recycling will have a significant cost. The City currently has a grass and LYW curbside collection program where all grass and LYW can be diverted and recycled at a much lower cost;
- Through staff investigations, it has been determined that many third-party processors of organic material do not allow grass and LYW into their processing systems due to the odours that can be caused; therefore, significantly limiting the available processing capacity for City green bin material;
- Continuing to allow grass and LYW into the green bin can result in the continued landfilling of recyclable organic material if third party processing of the City's green bin material is not found.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

APPENDICES AND SCHEDULES ATTACHED

N/A