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**Public Works
Operations & Waste Management Division**

**Waste Collection Procurement
Process for 2013-2020 (PW11030d)**

**Public Works Committee
January 16, 2012**

Providing services that bring our City to life !

Overview

- Background
- Report Overview
- Q&A
- Next Steps

- Community
- People
- Processes
- Finance



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Why are we doing this?

- Community
- People
- Processes
- Finance



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Integrated Waste Management System

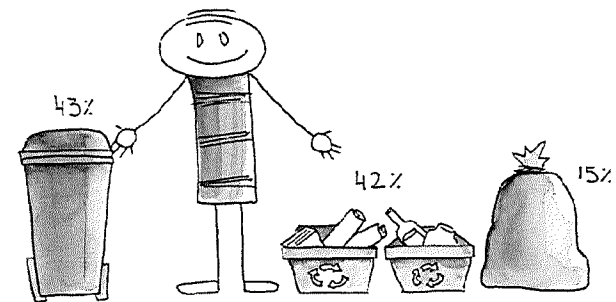
Solid Waste Management Master Plan

- Landfill is a valuable resource
- 65% diversion from landfill
- 3-stream system (recyclables, organics, garbage)
- Central Composting Facility
- Plan developed by the community in 2000-2001 and approved by Council in December 2001
- With the community, Council and staff working together -- considerable progress has been made in implementing the Master Plan

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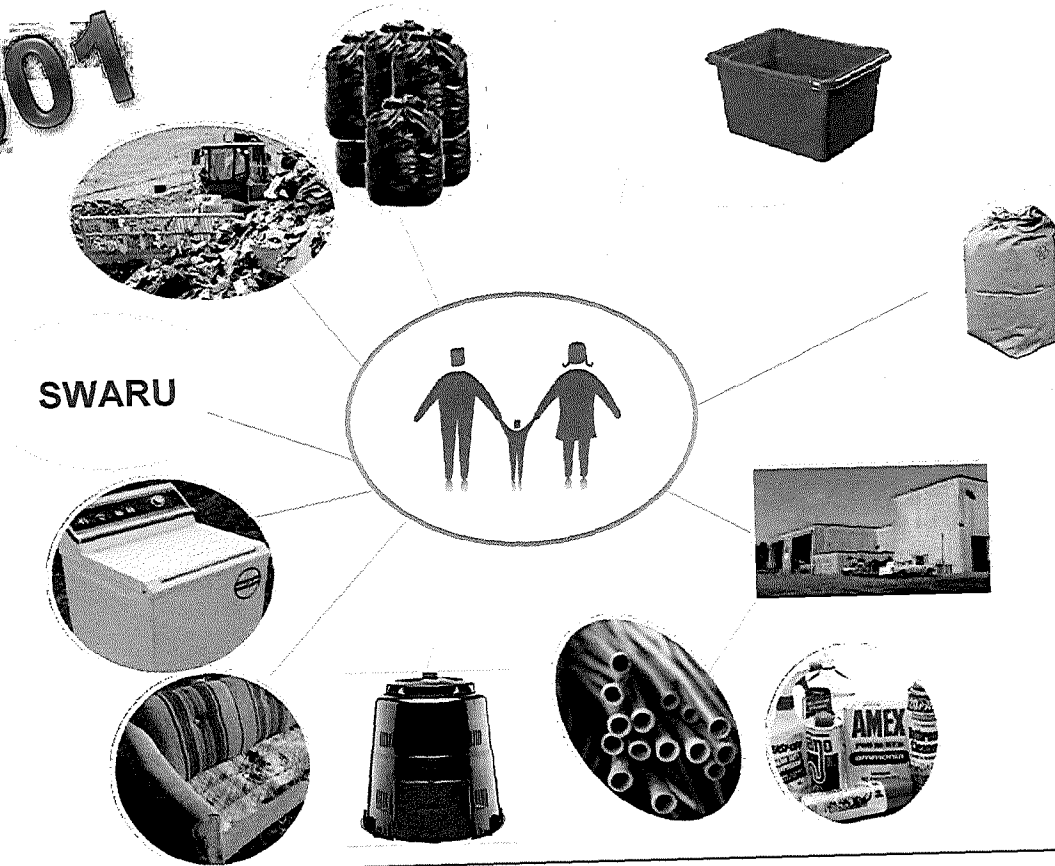
Solid Waste Management Master Plan

What's Been Accomplished

2001

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- People
- Processes
- Finance

SWARU

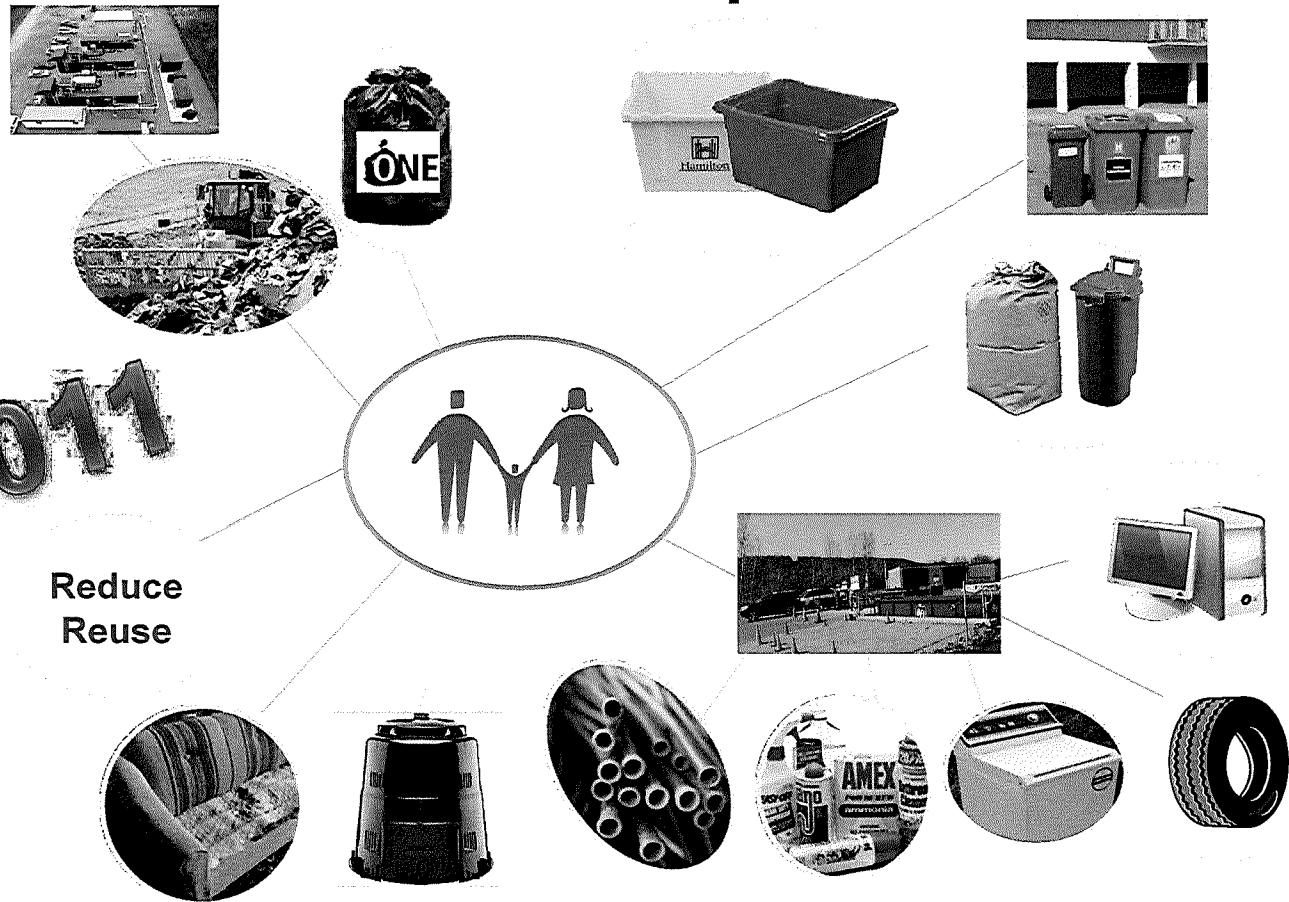


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Solid Waste Management Master Plan

What's Been Accomplished



2011

Reduce Reuse

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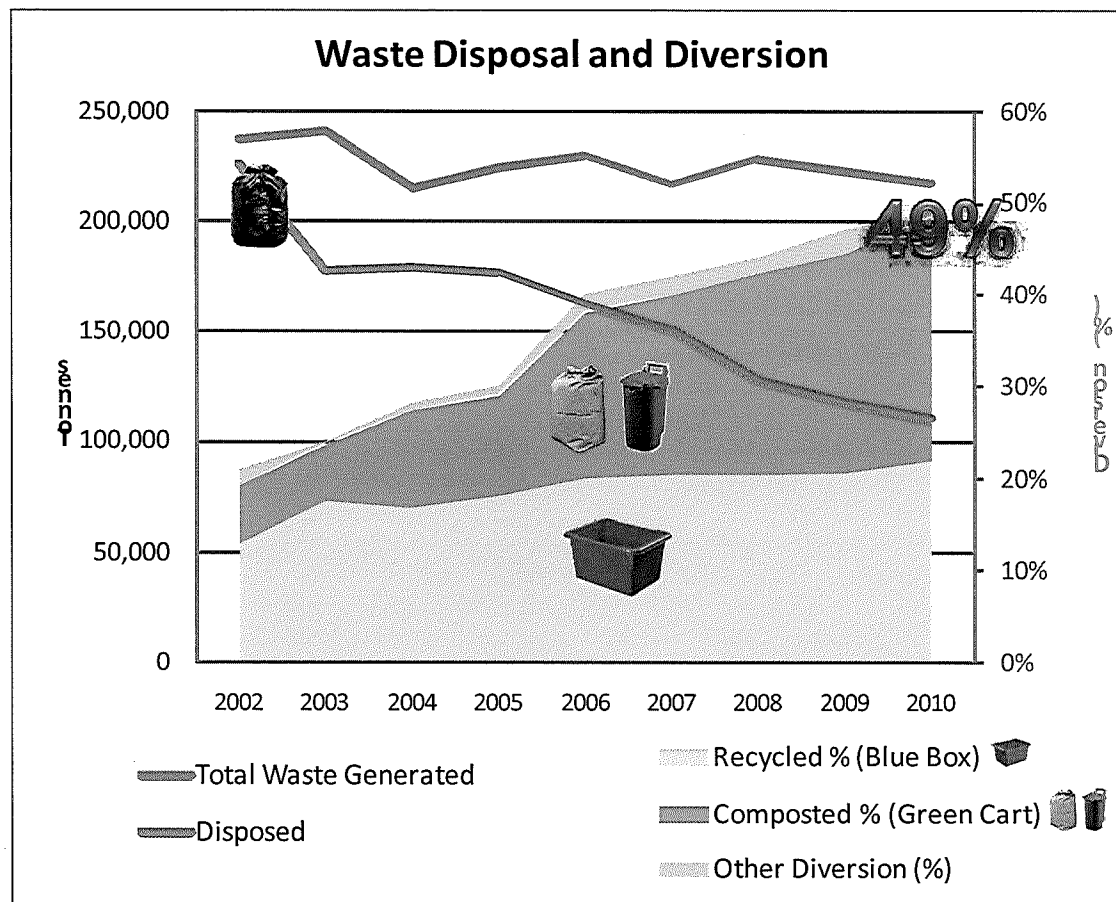
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Current Waste Diversion Status

- Community
- People
- Processes
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Integrated Waste Management System

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Waste Master Plan

Approved in 2001
Review in progress to update plan

Policies & Outreach

- Container Limits
- User Pay
- Education
- By-law

Customers

- Curbside Collection
- Multi-Residential
- Eligible Commercial
- Schools
- Civic Buildings
- Drop-off
- Source Reduction

65%
Diversion

Collection System

What:

- Recycling
- Organics
- Garbage

How:

- Public/Contracted service delivery

Processing Facilities

- Recycling (Materials Recycling Facility)
- Organics (CCF)
- Leaf & Yard Waste
- Community Recycling Centres (CRCs)
- Transfer
- Disposal

Contracts expiring in 2013

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Waste Collection System Options – Council Direction

When/ Report	Key Direction
February 2011 PW07151d	Recommendations to optimize the operation of the Central Composting Facility (CCF) through services changes to the leaf and yard waste program
April 2011 PW04113a	Continuation of split model for waste collection and activity based costing for current services and explore expanding to recycling through the Request for Proposals (RFP) and Internal Costing Process
July 2011 PW11030a	<ul style="list-style-type: none"> • RFP and Internal costing on 3 waste collection options • Collection system refinements • Bulk reuse events.

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Waste Collection System Analysis - Overview

(Estimated Annual Cost in 2011\$s)

Description	Project 1 (Current System)	Project 3 (Current System + Enhancements)	Project 5 (Bi-Weekly + Enhancements)
Financial <i>Total System Costs</i>	✓	✗	✓ ✓
Environmental <i>Diversion potential (eg. ability to expand green cart program), collection efficiencies (green fleet)</i>	✗	✓	✓ ✓
Social <i>Results in service level improvements, ease of use, addresses illegal dumping concerns, provides flexibility</i>	✗	✓ ✓	✓ ✓

- Project 5 represents the best balance of financial, social and environmental considerations, making it the preferred waste collection system

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Preferred Collection System

Highlights of Project 5

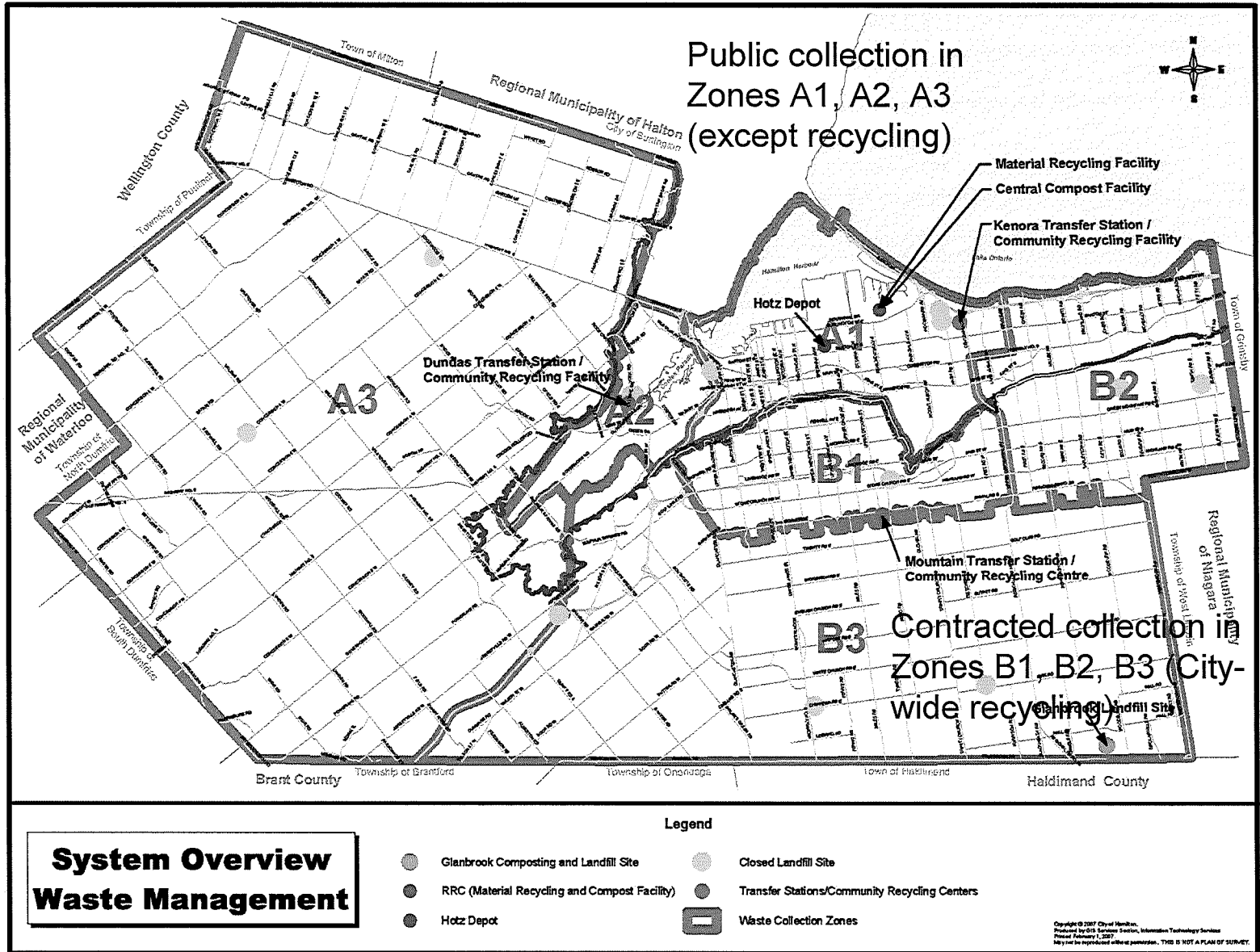
- Reduction from current collection costs
- Maintains potential for revenues from Central Composting Facility, while allowing capacity for future growth
- Addresses leaf & yard waste collection and processing concerns
- Encourages diversion while providing flexibility for different household needs
- Increase in service levels for bulk, leaf & yard waste and container limits
- Potential to decrease illegal dumping
- Overall best value

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RFP C11-30-11 - Overview of Curbside Collection Projects

	Current System		Current System with Enhancements		Bi-Weekly Garbage with Enhancements	
	Projects					
Curbside Service	1	2	3	4	5	6
Garbage	weekly	weekly	weekly	weekly	bi-weekly	bi-weekly
Green Cart	weekly + 2 leaf & yard waste bags	weekly + 2 leaf & yard waste bags	weekly	weekly	weekly	weekly
Recycling (Weekly)	100% contracted	50 / 50 Split	100% contracted	50 / 50 Split	100% contracted	50 / 50 Split
Leaf & Yard Waste (Unlimited)	seasonal bi-weekly	seasonal bi-weekly	year-round weekly	year-round weekly	year-round weekly	year-round weekly
Bulk	seasonal call-in bi-weekly	seasonal call-in bi-weekly	year-round call-in weekly	year-round call-in weekly	year-round call-in bi-weekly	year-round call-in bi-weekly
	Projects					
Additional Items	1	2	3	4	5	6
Additional Containers	Weekly collection of two containers of Garbage		Weekly collection of two containers of Garbage		Bi-weekly collection of three or more containers of Garbage	
Garbage Tag System	1 container + tag system for extra garbage		1 container + tag system for extra garbage		2 containers + tag system for extra garbage	
Larger Recycling Containers	Manual collection of larger blue boxes or boxes with lids		Manual collection of larger blue boxes or boxes with lids		Manual collection of larger blue boxes or boxes with lids	
Bulk Events	Scheduled events by ward or zone		Scheduled events by ward or zone		Scheduled events by ward or zone	

RFP C11-30-11 – Common services for all Projects

- Contracted Services:
 - Weekly Automated Recycling Cart Collection City-wide
 - Bin Service for Garbage collection City-wide
 - Supply of Bin Containers for Recyclable Fibres and Bin Service for Recyclable Fibres collection City-wide
 - Public Space Litter Container collection in Zones B1, B2, B3
- Internal costing on A zones for:
 - Organic Waste, Garbage, Leaf & Yard Waste, Bulk Waste

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RFP Evaluation Process

- Technical Evaluation
 - Proposals scored based on RFP Evaluation Criteria. Proposals that pass minimum required score of 80% for operational details (vehicles) and 80% overall continued through process
 - Internal Cost Team Technical submission reviewed by the Evaluation team using same criteria (not marked)
- Financial Evaluation
 - Review of pricing on base work from proponents meeting technical requirements and internal costing to identify lowest priced proponent for each project to carry forward in system evaluation
- System Evaluation
 - Pricing from RFP and internal costing feeds into financial analysis
 - Best balance of financial, environmental and social considerations to identify a preferred system

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RFP C11-30-11 – Base Collection System Pricing

16

System	Project	Estimated Annual Value (2011 \$'s)	Provider (Lowest acceptable proposal + internal costing)
Current System	1	\$19.50 M	<ul style="list-style-type: none"> • Halton Recycling Ltd. (dba Emterra Environmental) – B Zones + city wide recycling • City Forces for A zone services, except recycling
	2 (50/50 split for recycling)	\$21.30 M	<ul style="list-style-type: none"> • Emterra – B Zones for all services • City forces for all A zone services, including recycling
Current System + Enhancements	3	\$21.96 M	<ul style="list-style-type: none"> • GFL Environmental – B Zones + city wide recycling • City Forces for A zone services, except recycling
	4 (50/50 split for recycling)	\$23.38 M	<ul style="list-style-type: none"> • GFL – B Zones for all services • City forces for all A zone services, including recycling
Bi-Weekly + Enhancements	5	\$20.96 M	<ul style="list-style-type: none"> • Emterra – B Zones + city wide recycling • City Forces for A zone services, except recycling
	6 (50/50 split for recycling)	\$22.40 M	<ul style="list-style-type: none"> • Emterra – B Zones for all services • City forces for all A zone services, including recycling

Evaluation Process

System Analysis

- Identification of Preferred Waste Collection System and Preferred Proponent
 - Economic considerations
 - System costs including:
 - Lowest priced proponent and internal costing for the Project
 - Revenues from CCF Merchant capacity
 - Leaf & yard waste processing costs
 - Other considerations, e.g. operational impacts
 - Environmental considerations
 - Diversion potential
 - Flexibility to expand City's green cart program
 - Collection efficiencies
 - Social considerations
 - Service level improvements
 - Addresses illegal dumping concerns
 - Public acceptability and program communication

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Identification of Preferred Collection System

System Costs including Recommended Additional Work (Estimated Annual Cost in 2011\$'s)

System Cost	Project 1 (Status Quo)	Project 3 (Status Quo + Enhancements)	Project 5 (Bi-Weekly + Enhancements)
Base Price for Project incl. Operational Impacts at CCF	\$19.84 M to \$21.10 M	\$21.73 M	\$20.93 M
Additional Garbage Containers	\$0.280 M (2 containers)	\$0.308 M (2 containers)	\$0.248 M (6 containers)
Recycling Container Alternatives (larger + lids)	\$0	\$0.343 M	\$0
Supply Front End Bins	\$0.018 M	\$0.020 M	\$0.018 M
Smaller Green Carts	\$0	\$0	\$0
Total	\$20.14 M to \$21.40 M	\$22.40 M	\$21.19 M

Project 5 with recommended additional work is the best value system while increasing level of service

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Budget Impacts

Comparison to current contract costs

System	2011 Costs (2011 \$s)
2011 Approved Budget (based on current contracts for collection operations)	\$24.8 M
Project 5 – Base work with recommended additional work and operational impacts (Estimated Annual Value in 2011\$)	\$21.2 M
Annual savings from current Budget for Preferred Waste Collection System (Project 5)	\$3.6 M

- Projected 2011 savings from current budgeted costs
- Savings based on limited changes in collection services compared to previous RFP (introduction of Green Carts in 2006)

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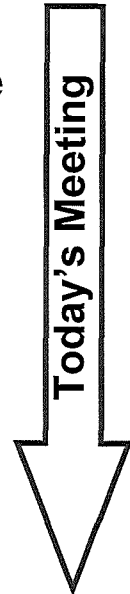
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Components of this complex problem

1. RFP and Internal Costing Process
2. Collection of recycling in A zones by City Forces

3. Selecting the collection system
4. Confirming the appropriate policy changes to make that collection system work
 - Container limit
 - Tags
 - Special Considerations
 - Amnesty Days
 - By-law changes and enforcement
 - Recycling containers and green carts
 - Tipping Fees



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Questions from Councillor Consultation

- What are the impacts on landfill?
- Isn't 6 containers for bi-weekly collection a step backwards? Could we go with a lower container limit?
- What support will be needed to make bi-weekly collection of garbage work?
- What are the implications of waiving tipping fees at the community recycling centres?

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Impacts on landfill

Description	Project 1 (Current System)	Project 3 (Current System + Enhancements)	Project 5 (Bi-Weekly + Enhancements)
Landfill Life (Approx 28 years based on current diversion rate)	No Change	No Change	+ 3 years**
Indexed Savings over 7 year contract	\$55 million	\$40 million	\$60 million

**Approx. 300,000 tonnes over 25 years with a value of \$24 million based on \$80/tonne

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6 Containers or Lower?

- Diversion programs are weekly and more convenient encouraging diversion
- 6 containers allows system to be simplified by eliminating Special Considerations and Amnesty days
- Limit is very flexible for residents to deal with extra waste reducing potential for illegal dumping
- Limit can be lower, eg. 2 to 5 containers and keep the Special Consideration Policy
- Some Facts:
 - Avg household generates 1,000 kg of waste per year and 85% can be recycled or composted
 - 1 container = 23 kg or 50 pounds
 - Average garbage bag weighs 15 kg

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Supports to make bi-weekly collection work

- Information for residents
 - How to maximize use of diversion programs
 - How to store waste that can't be diverted
- Advance consultation with community groups
- Learn from other communities that have bi-weekly collection systems
- Review of need for special programs, eg. diaper tags
- Updated Information Booklet & Calendar
- Will work with members of Council to address needs and report back as necessary

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Waiving Tipping Fees

- Recommend direction to review options for 2013 based on system and policies selected
- Current use of minimum fee:
 - 110,000 trips per year
 - \$900,000 in revenues
 - Recent survey ~ 2% of trips are single bags of garbage, 80% of trips included bulk waste
- Range of financial impacts to offer free drop off of waste (\$300K - \$1.6M, based on average amounts and varying approaches)
- Voucher system preferred over free trips, to limit abuse and financial exposure
- Lower weight limit, eg. 25 kg based on container limit

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Recommendations

- a) Sets out service levels for the collection system for 2013-2020
- b) System refinements to support the service levels in a)
 - i. Container limit (6 on a bi-weekly basis)
 - ii. Alternative Recycling Containers
 - iii. Supply of front-end bin containers
 - iv. Elimination of Special Considerations policy
 - v. Phase-in of smaller green carts
- c) Amendments to the Solid Waste Management By-Law to implement recommendations a) & b)
- d) Selection of the Successful Proponent based on the recommended Project 5
- e) Confirmation of the contract period as being 7 years starting April 1, 2013 with potential 1 year extension

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Recommendations (Cont'd)

- f) Authorization to finalize the agreement with the Successful Proponent
- g) Authorization to execute the agreement with the successful proponent
- h) Withdrawal of the capital project for purchase of recycling vehicles and yard expansion to service the A zones by public forces
- i) Removal of the related items from the Outstanding Business List

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Preferred Collection System

Next Steps

- January 16, 2012 Public Works Committee Meeting
 - January 25, 2012 Council Meeting for approval
 - Finalize Contract, Order vehicles
 - April 2013 – New contract begins
- *Note: A decision is required by the January 25th Council meeting to ensure readiness for April 2013.*

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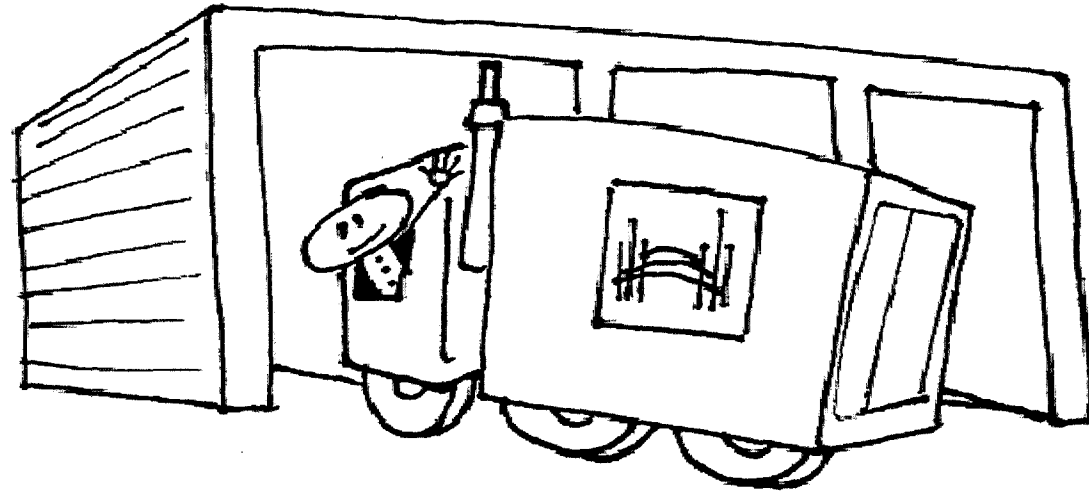
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Questions?

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