

**Subject:** The Town of Pelham's Enhanced and Optional Enhanced Waste Collection Services for the Niagara Region's new Waste Management Collection Contract

**Recommendation:**

**THAT, the correspondence received from Niagara Region (Catherine Habermehl, Director of Waste Management Services), dated December 10<sup>th</sup> 2019, regarding the "Confirmation of Pelham's Enhanced and Optional Enhanced Services for Niagara Region's New Waste Management Collection Contract" be received and;**

**AND THAT Committee receive and approve Report #2020-0018; and**

**AND THAT Committee recommends for Council to endorse the proposed recommendations from Town staff regarding the Town of Pelham's Enhanced and Optional Enhanced Waste Collection Services for the Niagara Region's new Waste Management Collection Contract.**

**AND THAT, Niagara Region be advised that the Town of Pelham requests to continue with its current Enhanced Services, as follows:**

- a) Two (2) Days-per-Week for Public Space Litter Bin and Public Space Recycling Bin Collection inside Designated Business Areas (DBA) and one (1) day-per-week for Public Space Litter Bin and Public Space Recycling Bin Collection outside DBAs, at an annual estimated cost of \$18, 825.60 (including Net HST);**
- b) Containerized Garbage Collection at Multi-Residential (MR) Buildings and Municipal Facilities (MF), at an annual estimated cost of \$14, 195.52 (including Net HST), and**

**AND THAT, Niagara Region be advised that the Town of Pelham will require the Optional Enhanced Services of:**

- a) In-Ground Collection at Municipal Facilities (i.e. Town Hall, the Meridian Community Centre (MCC), and Centennial Park), at an**

**estimated cost of \$122.11 (plus HST) per receptacle/stop for crane collection; and**

**AND THAT, Niagara Region be advised that the Town of Pelham is not interested in the Optional Enhanced Service of:**

**a) Bulky Goods Collection at MR buildings with seven (7) or more units and Mixed-Use (MU) properties with one (1) or more residential unit, at an annual estimated cost of \$41, 009.28 (including Net HST).**

### **Background:**

The Regional Municipality of Niagara (i.e. the 'Region') has requested the Town of Pelham (i.e. the 'Town') to confirm the respective Enhanced and Optional Enhanced Services that the Town wishes to have for the start of the Region's new Waste Management Collection Contract. The contract will commence on Monday, October 19th 2020. The enhanced collection services (i.e. street litter, front-end garbage, additional downtown litter or recycling, etc.) include additional services to the base collection services (i.e. every-other-week garbage, weekly recycling and organics, etc.) to each Local Area Municipality (LAM). The cost of both base collection and enhanced services, along with all processing, disposal and planning, and administrative net costs, are apportioned to the Town through a requisition for the Town's waste management levy.

### **Analysis:**

The Town of Pelham's 2019 waste management levy was \$1,204,753. This cost includes both base and enhanced services. The base services account for \$1,181,194 and the enhanced services account for \$23,559. Currently, the Town's existing enhanced services include public space curbside recycling and street litter bin collection in Designated Business Areas (DBA), containerized garbage collection at multi-residential (MR) buildings and municipal facilities (MF), and enhanced disposal waste costs.

In respect to the Region's new upcoming waste management collection contract, the Region obtained pricing for the Town's new waste management costs, as well as, the Town's requested Enhanced and Optional Enhanced services related to waste management. There were a number of factors, which contribute to an overall increase in costs from the previous contract, including: labour, insurance, fuel, and vehicle/technology costs. Municipalities across the Province have experienced price increases ranging from 20% to 114%.

The estimated waste management levy based on the new contract for 2020 is \$1,342,681. This includes the base waste collection services plus the requested enhanced services the Town has been receiving (including litter bin collection at various locations and containerized garbage collection for 9 Multi-Residential and Municipal Facilities). The base services are estimated to account for \$1,309,660 and the enhanced services account for \$33,021. In total, this represents an 11.5% increase for the 2020 calendar year for the same services provided in 2019. The Region has already made included the above cost increases in the 2020 waste management levy to the Town.

The prices submitted by the Region's contractor are subject to a diesel fuel price adjustment at the contract commencement date, to offset fluctuations from the time of the Region's RFP submission. Also, there will be additional price increases in subsequent years to account for inflation based on the Consumer Price Index (CPI) and diesel fuel price adjustments. These increases are included in the Region's waste management contract and will be included as part of future tax levy's to the Town.

The Optional Enhanced Services to provide in-ground collection at the MCC, Pelham Town Hall and Centennial Park would be in addition to the above costs. Based on the 2019 collection schedule it is estimated that the cost of this optional enhanced service would be approximately 25,000 – 30,000 per year. Starting in 2021, these costs would be included as part of the waste management tax levy; however, in 2020 there would be an additional cost which would impact the Town's operating budget. The Region's new waste management contract is scheduled to start on October 19<sup>th</sup>, 2020. There would be an increase in the operating budget of approximately \$2,326 to complete the in-ground collection at the above facilities from October 19<sup>th</sup>, 2020 through to December 31<sup>st</sup>, 2020 using the Region's contractor.

The summary of pricing for Enhanced and Optional Enhanced Services, along with the total number of bins that are currently serviced by the Region, can be found in Appendix 1 of this report.

**Purpose:**

The purpose of this report is to seek Council's approval for the proposed Enhanced Services and Optional Enhanced Services, which are to be included in the Niagara Region's upcoming waste management collection contract. In respect to the current Enhanced Services, the Town of Pelham requests to continue with the following services:

a) Two (2) Days-per-Week for Public Space Litter Bin and Public Space Recycling Bin Collection inside Designated Business Areas (DBA) and one (1) day-per-week for Public Space Litter Bin and Public Space Recycling Bin Collection outside DBAs.

b) Containerized Garbage Collection at Multi-Residential (MR) Buildings and Municipal Facilities (MF). The Town is currently servicing three (3) MR Buildings through the Region's waste management levy. The properties are identified as follows: 190 Hwy 20 West, 200 Hwy 20 West, and 1600 Pelham Street.

The Optional Enhanced Services offered by the Niagara Region, and requested by the Town include:

a) In-Ground Collection at Municipal Facilities only (i.e. Town Hall, the Meridian Community Centre (MCC), and Centennial Park), excluding MR, Industrial, Commercial and Institutional (IC&I), and Mixed-Use (MU) Properties. Though the current cost to service the in-ground containers with the existing contractor at MF is economical, once the material is removed from the in-ground containers, it is not sorted by their recycling stream (i.e. organics, plastic and glass, paper and cardboard and garbage). The Region has confirmed that the new contractor in their upcoming waste management collection contract does sort the respected material once removed from the in-ground container and also brings the material to the respected locations (i.e. landfill, recycling centre, etc.). Town staff contacted another waste management company within the Niagara region that services in-ground containers and sorts the material respectively, however, it is not recommended to go with this company since the costs provided by the Region are more economical.

In addition to the confirmed Enhanced Services and Optional Enhanced Services, Town Staff recommend not proceeding with the Optional Enhanced Service of:

a) Bulky Goods Collection at MR buildings with seven (7) or more units and Mixed-Use (MU) properties with one (1) or more residential unit. This type of service has never been provided to residents, by the Town, and is not recommended by Town staff to offer this service. The Region has confirmed that there has been no requests for this service to be provided within the last 5 years.

### **Financial Considerations:**

In respect to the current Enhanced Services offered by the Region to the Town are as follows:

a) Two (2) Days-per-Week for Public Space Litter Bin and Public Space Recycling Bin Collection inside Designated Business Areas (DBA) and one (1) day-per-week for Public Space Litter Bin and Public Space Recycling Bin Collection outside DBAs, at an annual estimated cost of \$18,825.60 (including Net HST).

b) Containerized Garbage Collection at Multi-Residential Buildings (MR) and Municipal Facilities (MF), at an annual estimated cost of \$14, 195.52 (including Net HST).

The cost for the Optional Enhanced Services offered by the Niagara Region, and requested by the Town include:

a) In-Ground Collection at Municipal Facilities (i.e. Town Hall, the Meridian Community Centre (MCC), and Centennial Park), at an estimated cost of \$122.11 (including Net HST) per receptacle/stop for crane collection. Based on the number of pickups in 2019, it is anticipated that to service Town Hall, the annual estimated cost will be \$1,200 (plus HST), the MCC will have an annual estimated cost of \$25,000 (plus HST), and Centennial Park will have an annual estimated cost of \$1,100 (plus HST). The approximate annual cost, therefore, to service all in-ground collection at municipal facilities is estimated at \$27,300 (plus HST).

The Town's current contractor services the in-ground containers at \$79.50 per waste receptacle, \$67.50 per recycling receptacle, and \$64.00 per cardboard receptacle, and \$115.00 per organics receptacle. In 2019, the cost to service Town Hall was approximately \$780.00 (plus HST), the MCC had an estimated cost of \$14, 680.00 (plus HST) and Centennial Park had an estimated cost \$667.00 (plus HST).

In total, the cost to service all of the in-ground containers at the respective locations in 2019 was \$16, 133.50 (refer to Appendix 2 for a further breakdown on the total cost and total number of pickups per location in 2019). Though the cost to service the containers is more economical with the Town's current contractor, the existing contractor does not sort respective the material by the various recycling streams once removed from the in-ground containers.

Town Staff contacted another company that services in-ground containers and also sorts the material respectively, however, the cost of this alternative service provider is more expensive than the Regional contract quote.

In addition to the confirmed Enhanced Services and Optional Enhanced Services, the Town is not interested in the Optional Enhanced Service of:

a) Bulky Goods Collection at MR buildings with seven (7) or more units and Mixed-Use (MU) properties with one (1) or more residential unit, at an annual estimated cost of \$41,009.28 (including Net HST). This type of service has never been provided to the residents, by the Town, and is not recommended by Town staff to offer this service.

### **Alternatives Reviewed:**

Council could choose to not accept the enhanced services being offered by the Region under the upcoming Waste Management Contract. With this alternative staff would have to explore other options of providing Litter Bin collection, containerized garbage collection at Municipal Facilities and In-ground collection at municipal properties from another contractor or look at performing some of the services in-house.

This course of action is not recommended by Staff due to the lack of Staff resources available to perform these additional tasks and based on pricing received from third party contractor's. In addition, it has been determined that the current process of picking up and disposing of garbage and recycled goods for the in-ground collection systems maintained by the Town is not being sorted prior to disposal.

### **Strategic Plan Relationship: Strong Organization**

Properly sorting waste materials provides environmental and economic benefits to both the Town of Pelham and Niagara Region.

### **Consultation:**

Consultation with Niagara Region Waste Management Staff was completed in the preparation of this report.

### **Other Pertinent Reports/Attachments:**

Appendix 1 – Summary of Pricing for Enhanced and Optional Enhanced Services

Appendix 2 – Breakdown of Costs in 2019 to Service In-Ground Containers at Municipal Facilities by the Town's Current Service Provider

### **Prepared and Recommended by:**

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