Agenda - Executive Policy Committee – October 21, 2009

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – October 13, 2009

Item No. 4 Tendering Strategy for Residential Recycling
eFile WT-1.3

STANDING COMMITTEE RECOMMENDATION:

On October 13, 2009, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That the tendering strategy be approved for residential recycling for a seven year contract to include the following options:

   A. Weekly collection with blue boxes (status quo),

   B. Weekly automated collection using 240 litre carts,

   C. Bi-weekly automated collection using 240 or 360 litre carts.

2. That the Water and Waste Department conduct public consultation on residential recycling which will include an on-line blue box study, an on-line marketing research survey and four public open houses, with the consultation results posted on Winnipeg.ca.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – October 13, 2009

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On October 13, 2009, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

Further on October 13, 2009, the Standing Policy Committee on Infrastructure Renewal and Public Works directed the Winnipeg Public Service to provide information on the possibility of extending the existing blue box recycling program; said report to be provided prior to Council consideration of this matter (October 28, 2009).

Also on October 13, 2009, the Standing Policy Committee on Infrastructure Renewal requested that the Winnipeg Public Service investigate options for a program on curb side pick up of leaves, yard waste, and organics for report back.

ADMINISTRATIVE REPORT

ISSUE: **RECYCLING COLLECTION TENDER – PERMISSION TO EXPLORE THE COST OF CART COLLECTION**

Critical Path: **Standing Policy Committee on Infrastructure Renewal And Public Works, EPC, Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Drohomerski, C.E.T. Manager of Solid Waste Services	B. D. MacBride, P. Eng. Director, Water and Waste	M. Ruta	A. Robinson, Deputy CAO

RECOMMENDATIONS

1. That the tendering strategy be approved for residential recycling for a seven year contract to include the following options:
   (a) weekly collection with blue boxes (status quo),
   (b) weekly automated collection using 240 litre carts
   (c) bi-weekly automated collection using 240 or 360 litre carts

2. That the department conduct public consultation on residential recycling which will include an on-line blue box study, an on-line marketing research survey and four public open houses, with the consultation results posted on Winnipeg.ca

IMPLICATIONS OF THE RECOMMENDATIONS

- While automated collection is expected to be less costly in the long term, the cost of the carts could increase costs in the short term. Some of the costs would be offset by the sale of additional material caused by the increase in amount of recycling collected as a result of the new carts.

- The estimated cost per cart is $45-65 depending on size and type. The WRARS Grant could help pay for these carts. Most cities provide the initial cart at no cost to the resident, which is consistent with how the City provided blue boxes when curb side recycling was introduced. The cost of the carts is expected to be between $8.3 and $11 million. For reference, blue boxes cost the City approximately $1.5 million in 1996. Cart manufacturers are willing to provide the carts on a lease to purchase basis over the seven year collection contract. Administration would need to explore the options for financing, including using the WRARS levy.

- Semi-automated recycling cart collection is in place at several thousand apartments in the city. The cost to collect from these locations is currently $40/tonne less than blue box collection. While there is no guarantee on prices, most communities are moving to cart collection partly based on cost savings over manual collection.

- Automated recycling collection would likely require about 20 vehicles. In order to receive reasonable and competitive pricing, the City should give the contractors at least eight months to order and receive delivery of the equipment, which requires a Bid Opportunity to be awarded by Council in January 2010.

- If automated cart collection is selected, it would take approximately six months to order, deliver and distribute carts to each residence in the city.

- The public consultation program would take place while the tender is out and would invite residents to share their views on the current recycling program and the automated collection option. The program results would be included in the report to Council along with the collection recommendation. The consultation program would include:

  ✓ an on-line marketing research survey conducted and evaluated by Probe Research,
  ✓ on-line recycling study posted on winnipeg.ca, with survey link provided and evaluated by Probe Research,
  ✓ four open houses allowing residents to ask questions, see the recycling cart and share their views by completing a feedback form
  ✓ a news release inviting residents to participate in the consultation program and advising those residents that can't attend an open house or can't participate in an on-line survey to phone for a copy of the survey or submit their comments in writing.

HISTORY

- The current blue box recycling contract expires on September 15, 2010. The current contract provides manual collection service to approximately 185,000 dwellings. In the past six years, an increasing number of customers have been using blue boxes that are larger than the standard size blue box, and are using more than one blue box, demonstrating that we are collecting a larger volume of recycling than garbage at many homes in the city.

- Labour concerns are making it more difficult for solid waste collectors to bid on long term manual collection contracts (e.g., shortages, injuries, short career span). When the Bid Opportunities for the Northeast and South manual garbage collection contracts were tendered in 2005, contractors from out of province mentioned they were not interested in bidding on manual collection because of the labour concerns. The recent Northwest garbage collection bid opportunity included a bidder that did not price manual collection.

- Solid waste collection has changed significantly over the last decade with the advancement of automated cart systems for recycling, garbage and organics collection. Many cities in Canada have switched to automated cart collection. As local examples, Brandon and Calgary have recently switched to automated collection.

- The Department successfully implemented cart collection in 2001 for the apartment recycling program which included the lease/purchase of 7,500 carts over the term of the five year contract.

- If the decision is to proceed with automated recycling collection, we would provide an information package to each resident (e.g., only items inside the cart would be collected, where to place the cart for servicing).

  ✓ Each residence would be provided with a 240 litre cart, which holds the equivalent of four standard size blue boxes. This size is consistent with most municipalities in Canada. Some communities offer a 360 litre cart with either a weekly or bi-weekly collection service. These options would be explored in this Bid Opportunity.

- The recycling carts would keep the streets cleaner as carts are equipped with lids that prevent wind blown litter as well as protect the material from the elements.

FINANCIAL IMPACT

Project Name: **First Year of Program** **2009**

RECYCLING COLLECTION TENDER – PERMISSION TO EXPLORE THE COST OF CART COLLECTION

	2009	2010	2011	2012	2013
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 12,360	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 12,360	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 12,360	$ -	$ -	$ -	$ -

Additional Comments: Funding for Public Consultation, On-line Marketing Survey and Open Houses.

"Original signed by D. Capp, C.G.A"

Darlene Capp, C.G.A.
Acting Manager of Finance & Administration

CONSULTATION

In preparing this Report there was consultation with:
N/A

SUBMITTED BY

Water and Waste Department
Solid Waste Services Division
Prepared by: Darryl Drohomerski, C.E.T.
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