

Date: Wednesday, April 9, 2025

Meeting Type: Committee of the Whole

From: Niall Loble, CAO

Subject: Award of RFP for Household Waste Collection Services

Report#: CAO2025-019

This document and its attachments are public and available in an accessible format upon request.

Recommendation

That Council direct staff to award RFP2025-01 being and Request for Proposal for Waste Collection Services to Company B as per report CAO2025-019, and,

That Council direct staff to enter into detailed contract negotiations with Company B to develop a draft contract for services that will deliver curbside automated collection of waste using carts on a biweekly basis, with weekly organics collection, (Scenario 4) and

That Council direct staff to include an annual large item collection service (Scenario 5) within the contract discussions, and,

That staff bring a draft contract back for Council review prior to signing and,

That staff extend the option to participate in the contract with the Township absorbing all waste disposal fees with the Block 75 Condos at Cobble Beach, and,

That the contract for services be started no later than June 1st, 2026.

Background

The Township of Georgian Bluffs provides a curbside collection of household waste and blue box recycling to approximately 5,585 properties. Services are provided through a contract, and the current contract is with Waste Management who are based out of Mount Forest. Waste Management secured the contract with the Township in 2019 for a five-year term ending in late 2025. Council has approved the extension of the contract to May 2026 to provide for transition to a new contract over the next 14 months.

Prior to the Township's current combined contract, the Township used two contractors, one collecting recycling and taking this for processing (Miller), and one collecting

household waste (Bruce Waste) which was taken to the Township's landfill until it closed. Both contractors had provided service over many years, having seen contract clauses providing for extensions being used more than once.

Partly as a result of the closure of the Township's landfill, and partly as a result of changes to the industry, the Township was experiencing significant budgetary pressure and through a tender sought a new contract for services. While both contractors submitted tenders, after review Council awarded Waste Management the Township's contract in 2019. Waste Management's contract was scheduled to expire in October 2025 but given significant shifts in contracts and changes to waste collection, in early 2025 Council extended Waste Managements services through May 2026 to accommodate expected transitions in blue box collections and household waste collections. Waste Management have provided a combined service (recycling in one compartment of a truck and household waste in a second compartment) to the Township since 2019.

Through a number of reports over the past two years, Council is aware that the waste management landscape is changing. An increasing degree of regulation, changing workforce patterns, and a strong desire to see dramatic reduction in waste going to landfill (driven in part by the increasingly short lifespan of available facilities as well as environmental concerns), have had significant impacts on waste collection. As such, staff have been forecasting both a significant shift in the nature and way in which waste is collected and processed, and a corresponding impact on costs of waste collection.

To help manage future costs, during budget 2025, Council endorsed a new reserve to be paid into in 2024 and 2025, to help alleviate predicted cost increases in 2026 and beyond.

One of the most significant changes in decades is impacting blue box recycling collections. These materials, which have been collected by the Township for many years, will no longer be collected under the Township's direction and are to be collected under contract and direction of the Province of Ontario, starting in 2026.

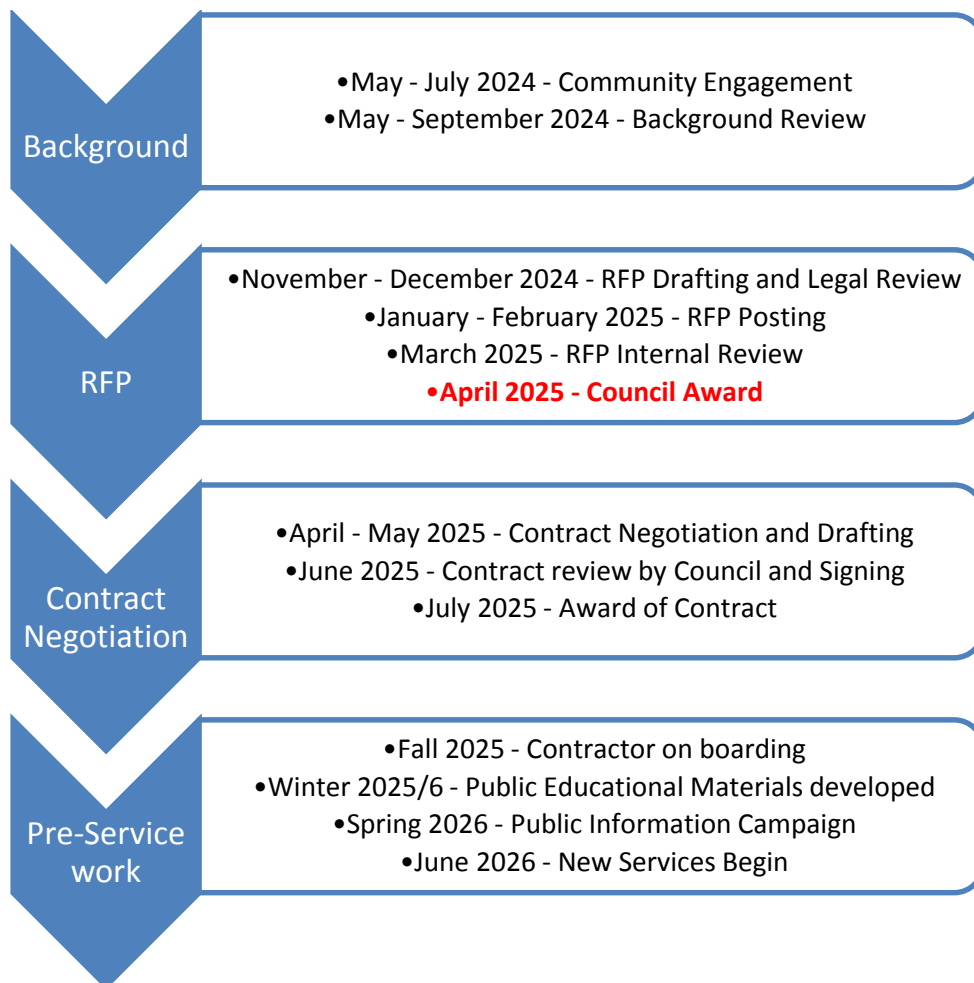
Given the impending end of the Township's existing service contract, and the above noted changes, the Township initiated an RFP process to identify a new service provider for providing services from mid-2026 onwards. The RFP seeks services for a period of five years, with two one-year extensions based on satisfactory service and an agreed price escalation.



Analysis

Developing the RFP

Household waste collection services are a significant service provided by Georgian Bluffs to residents. The contract for services also reflects one of the largest contracts the Township holds with an external provider, likely of the order of \$5M - \$6M over its term. As such, staff have taken a considered approach to developing the RFP, which forms a fundamental part of the contract for services delivered over the next 5-7 years. This deliberate and considered approach is reflected in this report, where staff share details not only of the RFP process, but how the recommendation was developed to provide Council with a fulsome opportunity to provide informed directions on next steps.



Developing the RFP took approximately 6 months. In early 2024, staff sought Council support to use external services to help procure waste collection services for 2026 and beyond. This request was not supported, and staff have developed the RFP internally.

During late spring 2024, a comprehensive review of existing waste collection practices was undertaken. Staff from across the organisation participated in reviewing challenges and opportunities with waste collections to identify where there were inefficiencies, frustration, and opportunities for improvement through a new contract. Key among staffs' comments was a shared concern around maintaining high standards of customer service and that double handling of customer concerns, questions, and queries lack efficiency and provided less than ideal customer satisfaction.

Streamlining the customer experience was a priority for the staff team with a focus on enabling residents to get accurate information in a timely manner with less reliance on Township customer service staff who frequently do not have answers to resident queries due to the third-party nature of waste services.

Also highlighted within the internal staff review were the lack of performance management tools within the existing contract for services, which meant it was both hard to define when service levels had not been met and expectations on residents and contractor in respect of things such as set out guidelines. When reviewing existing performance, the lack of clear expectations around contractor, resident, and Township responsibilities lead to performance issues without clear resolution.

Staff expressed frustration that technology that could be deployed to support service delivery, operations, planning, route completion, and tracking were not being visibly deployed; these tools would all provide for not only a better customer experience through less missed collections, but would address driver challenges, help identify set out issues, and would provide Township staff better access to data to help address issues earlier and quicker. Staff also expressed that collection of all township waste and recycling in two days is aggressive and may have attributed to the contractor not being able to complete routes on the regular scheduled day.

Lastly, the internal review noted that there had been ongoing performance challenges for several years and that taking steps to better manage or, preferably, eliminate these challenges through a revised contract would be good.

A jurisdictional scan was undertaken to review the work of other municipalities in Grey-Bruce and beyond in respect to waste collection services was undertaken to identify the ways in which municipalities managed waste, successes and challenges, and to identify potential parties that might be interested in responding to requests for service. Further to this, the Township remains an active participant in the Grey County Community of Practice for waste services which has provided valued input to the RFP process. This jurisdiction scan also included a review of relevant legislation and regulatory environments and included feedback from partners such as the CIF (Community Improvement Fund) before it ceased operations in late 2024.

These discussions included, in earlier 2024, seeking to see if there were other municipalities that might be interested in sharing services and exploring efficiencies that

could potentially be gained. These discussions did not proceed; the timing of municipal service contracts was not well aligned and there is significant variation in services provided, which meant alignment of needs would be complex and take time. Mutual provision of services in the future remains an area that staff are actively engaged in with a mind to future service provision.

Through the information gathering stage, staff sought to obtain other RFPs recently issued by municipalities from across Ontario to see how others were approaching procurement of services.

Alongside these steps, staff was increasingly aware of industry pressures and used this to also help inform the development of the RFP. Key amongst these was high injury rates among manual waste collection operators, a small, and shrinking, labour pool for operators; a lack of equitable and inclusive opportunities within operators, further reducing the labour pool; industry wide pressures for qualified drivers, and drivers and operators moving on into more attractive roles given the very manual nature of work. These compounding factors have led to high attrition rates particularly within manual waste collection services; something which companies are seeking to address increasingly through automated collection options.

During this background phase, staff undertook a public engagement to help identify community priorities for waste collection as well as a review of strategic plans, documents, and master plans approved by Council to guide and inform Township services. The results of the public engagement are included in report CAO2025-018.

Staff were aware that time was of the essence; a new contract for services would likely involve new equipment, and staff are aware that new vehicles can take 18 – 24 months to be delivered after ordering and so promptly moving through the RFP process and award would be needed to identify and secure a new contract.

Current Collection Service Levels

The Township currently provides a curbside collection from approximately 5,585 properties. This includes:

- Biweekly Blue Box Recycling (no upper limit on quantity within reason)
- Weekly household waste (bagged and tagged (\$2.25 per bag), up to 4 bags)

Services are provided on all roads, including several cottage and seasonal roads, and several private roads, and are provided to all addresses on those roads including commercial, industrial, and institutional properties.

The Blue Box transition to provincial control occurs on January 1st, 2026, and will see the Township no longer responsible for blue box collections. It is understood that these will be migrated to cart based automated collections under the Province. New blue box

services will not be provided to commercial, industrial or institutional properties, and services to private and seasonally maintained roads is not yet understood.

The Township has seen average household waste levels dropping, aligned with provincial trends. In 2021, approximately 5,487 households received collection; in 2024 this was 5,585 representing an increase of 2%. Over the same timeframe, total waste went from 1,444 tonnes to 1,366 tonnes, a decrease of more than 5%. Average household waste dropped from 0.26 tonnes to 0.24 tonnes in this time. However, despite these reductions, the Township remains far below the provincial targets for waste reduction and diversion.

RFP Results

The RFP was posted on January 10th and was closed, after a requested extension period, on February 21st. The RFP was advertised on the Township's website and Bids and Tenders portal, and staff connected with companies inviting review and submissions in respect to the opportunity. All previous suppliers of services to the Township were included in this invitation, alongside all vendors that currently supply services across Grey, Bruce, Wellington and Simcoe counties. Staff also connected with all identified waste collection companies operating in Ontario within a 500km radius of the Township to alert them to the opportunity.

Six (6) companies obtained the documents for review. Two (2) submissions (Waste Management and Miller Waste) were received when the opportunity was closed

Proponents were requested to provide a technical submission and a financial proposal. The financial proposal would only be considered after a minimum threshold was reached under the technical proposal.

Both submissions were determined to be complete and compliant, and both submissions met the minimum technical score. Total scores were out of 150 points, with 100 points based on technical criteria, and 50 points assigned to pricing submission.

The RFP response had both mandatory requirements and non-mandatory requirements in respect to pricing. This provided staff with a range of comparable costs for different service delivery models that the Township could consider.

Once Council has identified the preferred vendor for services, staff will enter into a negotiation with the preferred vendor, based on their submission, to develop a contract for services that meets the priorities of Council and community. As such, contract details remain subject to further negotiation which could influence final pricing for services.

Given the limited submissions received and to ensure compliance with the *Discriminatory Business Practices Act*, 1990 and to aid in decision making, staff refer to the proponents as Company A and B throughout his report. It is noted that the province

defines both companies as being Canadian businesses having Canadian headquarters and a significant business footprint in Ontario (and beyond).

The following considerations were included in the RFP for service options:

- Manual Collection – to perform a weekly collection of waste from the curb edge within the broad parameters of the current collection service offered. Waste would be presented to the curbside by residents in either one or more bags or smaller (less than 100 litre) garbage containers, where operators would manually lift garbage into a truck. This option reflects, essentially, continuing with the existing level of service.
 - An option to move from a weekly collection to a bi-weekly collection, with a weekly collection of organic material was requested for pricing purposes.
- Automated Collection –Township residents are already going to be migrating to automated collection for all blue box recycling in 2026 as has already been noted, therefore, regardless of whether the Township migrates to cart-based collection of household waste, all properties will be using carts in 2026 and beyond. The Township has been advised by multiple vendors that automated collections are becoming the industry preferred standard providing numerous benefits over manual collection. Namely, these benefits allow for greater diversity of the labour pool which helps alleviate staffing challenges, and automated collection reduces workplace injuries and incidents resulting in lower WSIB rates and lost time costs. Automated collection provides wheeled carts for all residents as such becoming more accessible for residents that face challenges lifting garbage. Automated collection services also help to minimize waste as carts do not require waste to be bagged before being placed in the cart.
 - Options requested under an Automated system included weekly and biweekly collections, with biweekly being paired with a weekly collection of organic waste (including pet waste).
- Under both the automated and manual collection process, vendors were asked to note if a reduction in cost could be achieved with single side of the road placement.
- Under both scenarios, vendors were asked if they would be prepared to provide an extension of the Townships contract to the Condos at Block 75 in Cobble Beach. (Council previously endorsed this approach).
- During engagement, residents provided feedback in support of providing household organic waste collection, household hazardous waste services and larger item collections as value added services; the RFP asked for pricing for these services in case the Township was interested in adding these services on.

Organic waste (food waste, yard waste, pet waste etc.) makes approximately 50% of household waste on average by weight. The Provincial government has been asking for significant reductions by municipalities in waste being disposed of at landfill, and while regulatory change has not yet been implemented, it is anticipated that separation of organics will become mandatory over coming years to help extend landfill lifespans and reduce waste. Further, organic material is a significant contributor of green house gas emissions in landfill operations, and this can be better managed and eliminated where this is diverted.

Organic material is the primary source of odor, particularly during warmer weather, associated with household waste. Alongside increasing arguments for the collection and separation of organic waste for environmental sustainability reasons, organic waste collection is often paired with a reduced frequency of household waste collection as the removal of organics reduces odor concerns with household waste. Residents have noted a desire for organic collection (green bin) of kitchen and food waste, as well as yard material, over past years and in the engagement response in 2024.

The Township partners with Owen Sound for residents to have access to the Leaf and Yard waste site. This site allows for the disposal of larger quantities of yard waste, beyond the nature and amount of material that would be accommodated within an organics program, if implemented.

Household Hazardous Waste is currently subsidised for Township residents through a shared service agreement with the City of Owen Sound. Residents are able to, for a small fee, dispose of items of common household waste that cannot be placed in regular household waste streams on several set days each year. Residents have noted that the need to drive out of the Township and the long lines that can occur during household hazardous waste days can be a disincentive to using this service.

Large items (such as mattresses, sofa, beds etc.) can only currently be disposed of in person at the Miller Waste Transfer Station in Owen Sound. Fees apply for disposal and require residents to either move items to the transfer station themselves or hire someone to do so. Alternatively, residents can hire waste companies for large items currently. Residents have noted that having the ability for periodic household collection of larger items would be advantageous.

The specific nature of service delivery in the future will be based on these options in negotiation with the preferred vendor, identified by Council.

Technical Comparison

Vendors were asked to provide information as part of a technical submission that addressed a wide range of issues including:

- Environmental Sustainability and Climate Change – how the proponent was accounting for climate change through reductions in green house gas emissions, recovery of waste, and through the management of landfill.
- Customer Services – what experience the company had in providing customer services to the Township and its residents, the use of customer service technology, and how the Township might be able to recover costs through waste collections services.
- Project Understanding, Work Plan and References – how the company understood the work that was needed and would support the Township and community in onboarding new services, and, if needed, how roll-out and education of carts would occur, and references for similar areas of work.
- Facilities and Equipment – how, where, and what nature of facilities and equipment they had that they planned to deploy to support the Township if successful.
- Monitoring and Reporting – how the proponents would communicate and monitor service delivery to the Township if successful.

The RFP included an extensive list of performance criteria and liquidated damages that would be applied in the event of performance failures, which proponents had to factor into their submission and pricing. The RFP included the provision of customer services as well as waste management collections, i.e. proponents were asked to provide a complete suite of customer services and responses, rather than this being left to Township staff to manage.

- Both proponents, Company A and B have large operational footprints in Ontario, and both have extensive history of providing a range of services including waste collections for municipal clients across Ontario. Both companies operate from head offices within 200km (Kitchener and Markham) of the Township, and both operate from locations within close proximity to Grey County (Mount Forest and Owen Sound).
- Both companies noted that they could take on services on or before June 2026. Both companies noted that they would likely implement interim operations while awaiting truck deliveries using rental or spare vehicles in the meantime.

- Neither company can provide household hazardous waste services to the Township.
- Both companies can provide large item collections on a per household basis for an additional fee.
- Both companies are able to extend the terms and condition of service to the Condos at Cobble Beach (as per the existing situation) and will levy a service fee to the Condo Corporation to offset this service. Waste will be blended, and disposal fees will be paid for by the Township.
- Both companies indicated that they are unable to provide services over just two days a week; both companies will provide the service over 4 or 5 days.
- Both companies highlighted that a number of the Townships roads are unable to be serviced with waste trucks due to the size and condition of these roads. Both companies provided solutions to address these roads in using alternative means.

Company A provided a response for both a manual collection and an automated collection. Both types of collection can be offered on a weekly or biweekly basis and can be paired with a weekly organic collection (manual or automated).

Company B only provided a response in respect to automated collections and will not provide manual services to the Township.

As such, if the Township wishes to maintain a manual collection program, only one submitter is able to support this, Company A.

Environment and Sustainability:

Company B scored more highly in this section.

It is noted that the same landfill is being used by both Company A and B for the purposes of this contract. Both Company A and Company B use the same organics plant should the Township collect organic materials. As such all scores associated with landfill locations were equal.

- All waste will be landfilled at the [Twin Creeks Landfill](#), owned and operated by Waste Management. This is located in Watford, ON, approximately halfway between London and Sarnia, and approximately 250km outside of the Township. All waste collected in the Township is taken to transfer locations prior to being trucked to this location. Both responses provided details of the extensive practices adopted at Twin Creeks to minimize and reduce negative impacts of landfilling as well as highlighting programs in place at the site such as gas

emission collection and reuse, biodiversity enhancement programs and water management processes.

- All organic waste, if the Township so collects, will be taken [All Treat Farms](#) in Wellington County, approximately 100km away. This facility is owned and operated by Walker Industries and is a specialist organic recycling and compost facility.

Company A provided an Environmental Policy and noted key steps toward enhanced environmental sustainability. Company A is committed to moving away from traditional fuels, and that they were seeking to find greater efficiencies in fuel used and reduction through proactive and comprehensive fleet and equipment management. It was noted that the Township's contract would be delivered using diesel vehicles at this time, and that these new generation vehicles provided enhanced operations with respect to emissions. Company A did not provide a GHG reduction commitment, nor did they share any metrics in respect to progress tracking toward enhanced operations in respect to climate change.

Company B provided a highly detailed response in respect to Environment and Sustainability. Comprehensive report cards of past progress were shared, and clear GHG targets were identified with metrics supporting progress provided. Company B already uses landfill gas to power 60% of the fleet and aims to have 70% of vehicles fueled by landfill gas by the end of 2025. Company B has been recognised through external certification in respect to ethical and sustainable practices, and makes particular reference to achievements in workforce diversity as part of its commitment to sustainable practices.

Customer Services

Both companies scored similarly in this section.

Both companies noted that bag tag revenue generation is only realistically possible with manual collection. Both companies provided examples of potential revenue streams under automated collection, but noted significant administrative cost could be incurred in setting these up.

Company A provides a dedicated local call number which is supported 8am – 6pm, with a voicemail system to collect details when the operator is busy or out of hours calls. An email address will also be available for residents with question or concerns. They intend to have a dedicated supervisor engaged for Georgian Bluffs who will provide support as needed during collection periods.

Company B provides a dedicated customer service centre between 7am and 6pm. In addition, they provided a dedicated ticketing system for customer concerns and complaints, and will provide a dedicated web page for Township residents. Residents

would be able to connect via social media, online chat, email, via the website, and through the customer service centre.

Project Understanding, References and Work Plan

Both companies scored similarly in this section.

Both companies demonstrated that they had reviewed Township roads in preparation for submission and demonstrated a high degree of local knowledge. Both companies noted that the current two-day collection system is highly limiting and would not be able to be supported. Both companies noted the same roads that would provide challenges (Francis Drive, Browns Lane, Shepherd Lake Road as examples), for collections that would need to be managed differently as these cannot be collected by the waste collection vehicles being proposed for deployment by both companies. Both companies indicated potential solutions to these challenges.

Company A provided strong references which, when followed up on, provided strong positive feedback. However, Company A provided limited details in respect to work planning and roll out, and a significant amount of work would be required from a community education perspective by the Township in implementing waste collection by Company A.

Company B provided many relevant references, which, when followed up on, provided feedback in respect to service provision. However, while satisfactory, this was less positive than for Company A. Company B was very strong in respect to work planning and roll out and provided significant details around support and public education to support migration to new services.

Facilities and Equipment

Company B scored slightly more strongly in this section.

Both companies rely on local transfer stations (within 20-85km of the centre of the Township). Waste is sorted in these locations prior to being trucked onward to landfill. Both companies noted that they were able to meet the Township's expected contract start date, however, both companies also noted that the contract would require new vehicles which may not be available by June 2026. Both companies have provided alternative solutions to ensuring service delivery starts in June 2026, although it may differ slightly from the final form of service delivery over initial months of the contract while vehicles are prepared, if these are delayed.

Company A identified trucks that would be secured for the Townships contract, and the offices and facilities that they would be deployed from to support the Township. These facilities are adequate and provide support for mechanics and other support teams.

Company A also indicated that they had third party agreements for services such as mobile mechanics.

Company B scores similarly to Company A in many areas but was notable in respect to access to a full mechanics yard with dedicated mobile mechanics available to support fleet services. Also of note was access to corporate services, such as a dedicated call centre to support the contract.

Monitoring and Reporting

Company A and B scored the same in this area.

Both companies committed to regular performance management meetings with Township and company teams.

Company A was noteworthy in respect to direct oversight of the contract; there was a strong commitment by Company A on contract supervision and oversight, and addressing any issues, pressures, or challenges that arose in a very personal manner.

Company B was noteworthy in their approach to using technology to help track and identify issues, to monitor and manage driver performance, and provide data back to the municipality on performance.

Technical Review Summary

Overall, both companies provided good and complete technical submissions. Based on a panel review of these technical submissions, both companies were determined to have met the minimum criteria. Overall scoring was similar between the proponents with the panel noting that each company appeared to bring unique strengths in their response. Overall, Company B scored slightly more favourably than Company A with the panel noting the strong commitment to environment, sustainability and technological innovation as key highlights. The demonstrated commitment and success in building more inclusive workplaces was also noted within Company B.

Pricing Comparison

Both Company A and Company B provided pricing for a range of Options. The following scenarios were competitively priced and exclude costs for Block 75:

Scenario 1: Manual Collection weekly

- Company A: \$1,357,156.63 annually. (less bag tag revenue: \$1,022,156.63)
 - This price could be reduced to \$1,188,584.85 (\$853,548.85) if collections were all from one side of the road



- Company B: No response

Scenario 2: Manual Collection biweekly, paired with automated organics collection

- Company A: \$1,772,442.82 annually (*less bag tag revenue \$1,604,942.82*)
- Company B: No response

Scenario 3: Automated Collection Weekly (including cost of carts)

- Company A: \$1,459,087.86 annually
- Company B: \$618,194.64 annually

Scenario 4: Automated Collection biweekly, paired with automated weekly organics collection

- Company A: \$1,807,886.19
- **Company B: \$810,936.60**

Optional Scenario – Large Item Collection, 4 items per household, once per year

- Company A: \$314,212.10
- **Company B: \$45,000.00**

Note: Bag tag in Scenario 1 is assumed as budget in 2025, \$335,000. Bag tag revenue in Scenario 2 is reduced by half as organics account for approximately 50% of garbage.

Both Company A and Company B provided pricing options that excluded carts. These costs are not reflected in the above scenarios. If selected, this would leave the Township to pay for carts separately. This reduces the annual collection costs as the above scenarios include cart costs, amortized through the collection costs by the proponents. The purchase price for carts is more or less identical between Company A and B; both use the same manufacturer. If the Township elected to separate cart costs from collection costs, carts for household waste would cost approximately \$500,000.00. The Township would need to secure carts through the proponent and would retain ownership and repair and maintenance obligations for carts. Based on review of the two proposals, there is no financial benefit, and potential significant operational impacts for the Township to supply, own, and maintain carts separately.

Company B is overall the lowest price submission. While Company B does not provide options for manual collection. Even accounting for the full loss of revenue associated

with bag tags, and enhancing collection to biweekly waste collection with year-round weekly organic collections, Company B offers the lowest price.

When comparing like for like service provision, Company B scores more highly than Company A, reflecting between 50% and 90% savings over Company A.

When comparing the manual weekly collection costs for Company A, *including factoring in garbage tag revenue*, and automated weekly costs for Company B, Company B reflects an almost 30% saving.

The score differentials were negligible based on technical scores; the significant difference in scores is largely driven by the high-cost differential between the two proposals.

Based on both Technical and Pricing Criteria:

- Company A scores 95 - 111 out of 150 (depending on version of service offered and price point)
- Company B scores 128 out of 150

Recommended Approach to future Household Waste Collection Services

Staff's recommendation, which is subject to Council discussion and review, proposes that household waste collection services be awarded to Company B and that staff be directed to engage in detailed contract negotiations for services based on the following framework:

- Biweekly collection of household waste. Residents will be provided with one cart per property with a hinged lid with a capacity of 240 litres. This is similar to 3-4 black bags of household waste every two weeks.
- Weekly organic collections are completed. Residents will be provided with a kitchen caddy for food scraps and one cart per property with hinged lid of at least 80 litre volume for organic waste to be collected from. This is similar to the collection of 1-2 black garbage bags of organic material each week.
- In addition, staff are proposing that in response to resident feedback and to provide an enhancement to service, large item collection from the curbside is added to the Townships resident services.

Carts proposed by both Company A and B are made in Canada (Quebec) and have a 10-year warranty on them. Carts will remain under the ownership of Company B during the contract and will be repaired and replaced by Company B as needed.

It is noted that one potential source of offsetting revenue that would be explored in this recommendations, would be to allow residents to select different sizes of carts, providing a smaller cart as a 'standard' and allowing residents to purchase larger carts if needed. This would also serve as a potential incentive to encourage households to generate less waste.

Moving to an automated and cart-based service will provide a more accessible service to residents and supports the implementation of the Townships Multi Year Accessibility Plan. It will align and be consistent with the deployment of cart-based collections for recycling materials. By implementing a biweekly collection, costs for household waste can be contained.

Through the addition of a green cart program for organics, it is anticipated that the Township will significantly reduce the amount of waste being taken to landfill, aligned with its Corporate Climate Action Plan and seeking to address Provincial directions in respect to both organic separation and reduced materials entering landfill (as per the Food and Organic Waste Policy statement and driven by the *Resource Recovery and Circular Economy Act 2016*).

Both the addition of organics collection and the addition of large item collection services offer service level enhancements to residents and respond to feedback from community seeking such enhancements.

In addition to the above contract services, the following services will continue to be provided as part of the Townships overall waste management services:

- Through shared service agreements with the City of Owen Sound, Georgian Bluffs residents will continue to have access the Leaf and Yard Waste site and will continue to be able to participate in the Household Hazardous Waste Collection days.
- Residents will remain able to access the Miller Waste Transfer Station in Owen Sound to dispose of items of household waste, construction waste and other non-curbside collected items on a pay-for-use basis.
- The Township will continue to explore and make available alternatives for waste reduction such as encouraging home composting, supporting e-recycling facilities, working with local vendors for scrap metal recycling and responsible tire disposal, and for recycling and responsible disposal of batteries.

Financial Impact

It is noted that the financial impact will be subject to further discussions and refinements based on the direction of Council. Negotiation with the preferred vendor will occur after Council has identified that vendor and a final financial cost will be developed within parameters of the RFP within the final contract.

Based on the staff recommendation herein, it is expected that the annual cost for services between June 2026 and June 2027 will be in the region of **\$855,939.60** annually. These figures are shown in BOLD in Scenario 4 and 5 above.

This cost is inclusive of:

- Collection Costs of \$219,587.04 for household waste annually which includes amortization over 5 years of the purchase cost of carts
- Collection Costs of \$438,502.56 for household organics annually, which includes amortization over 5 years of the purchase of carts
- Household waste disposal of 738 tons of household non-recyclable, non-organic waste annually at \$77,490.00
- Household waste disposal of 628 tons annually of household organic waste at \$75,360.00
- Large Item Collection completed over the course of two weeks, once annually, to all properties in the Township of \$45,000

Alternatively, the lowest cost option (which would also be provided by Company B) would be to retain a weekly collection of blended organic and household waste and eliminate large item collection. This would result in an annual cost of approximately \$618,194.64 (Scenario 3). This has not been recommended by staff for several reasons:

- 1) The Province has indicated that source separation of organics is likely to be mandated through regulation at some point, although it is not currently regulated and there is no timeline for such a change to be made.
- 2) The Township has committed to reducing impacts on environment and seeking to be more sustainable; implementing organic collection has potential to reduce the community waste to landfill by almost 50%, extending landfill lifecycle and capacity and enabling reuse of organic waste through compost.
- 3) Implementing organics will significantly reduce the transport miles and therefore greenhouse gas emissions associated with transit for garbage; organic waste, which is estimated to comprise approximately 50% of garbage weight will travel only 100km (rather than 250km) for processing.
- 4) Through community engagement in summer 2024, there was community appetite and support for inclusion of a green bin program as part of an enhanced waste management program

- 5) The proposed green bin program would allow for a wider range and greater quantity of organic recycling than homeowners are able to do currently: for example, pet waste and meat products which are less commonly composted in domestic compost, can be composted commercially through a green bin program.

It is noted that the cheapest manual collection of waste was from Company A and was for a weekly collection from one side of the road for \$1,188,584.84; accounting for \$335,000 of 'lost' bag tag revenue, this remains similarly priced to staffs recommended approach. In short, there is no financial benefit to remaining with a manual, bagged collection process; automated collection processes as presented, reflect the lowest cost option.

In 2025, the budget anticipates an annual cost of \$524,750.00 for waste collection and disposal. (Excluding recycling costs and revenue as this is moving the provincial control on January 1st, 2026).

In 2025, an offsetting revenue of \$335,000 was anticipated for the sale of Bag Tags, making the net collection and disposal costs of household waste \$189,750.00.

Staff have anticipated and reported that significant cost increases associated with waste collection should be expected with the renewal in contract in 2026. In past reports, it has been indicated that these increases could be as much as 100% or more, based on experience of surrounding municipalities. Through the RFP process, adopting the staff recommendation reflects approximately a 60% increase in costs.

Based on the costs understood to date and assuming that there is no revenue from bag tags after transition, staff anticipate that the costs for the new service can be accommodated by:

- Use of reserve funds to spread the initial cost impact over the 5 years term (2025 – 2031 inclusive)
- By implementing a 1.5% tax levy in each of the five-year budgets

The levy would be eliminated once budget and costs were equal and any reserve balances borrowed, fully reimbursed.

A 1.5% tax levy, based on 2025 budget, would have approximately a \$32.00 a year annual impact on average property taxes (based on a single-family home assessed at \$300,000).

For context, for a household purchasing and using one bag tag, every two weeks, is spending \$58.00 a year on bag tags. I.e. for households using one or more bag tags every two weeks, the estimated tax impact of adopting the recommendation will be less than they are current spending on bag tags.

In both the recommended and alternative proposals, bag tags would be eliminated with residents no longer having to purchase these.

Staff anticipate that through detailed contract negotiations, alternative ways of lessening the impact on the tax base and seeking to generate user-based revenue will be explored. However, as noted by the proponents in the RFP process, collection of revenue in an automated system is challenging. Annual costs could be mitigated by a longer contract term, which would see cart-based costs amortized over a longer period of time.

Strategic Lenses

Enhancing Service Delivery: Excellence in Every Interaction

Through adopting the recommendation, Company B have shared a range of tools that will provide a robust digital customer service experience and will allow for clear tracking of service level standards.

Enhancing Environment and Infrastructure: Building for Today and Tomorrow

Ensuring that we are seeking to address the pressures of Climate Change through the services that the Township provides.

Diversity, Equity, Inclusion, and Belonging

Through adopting the recommendation, it is anticipated that waste collection services will be improved in respect to accessibility. Cart based bins are wheeled and so provide opportunity for easier movement than lifting bags or other non-wheeled garbage receptacles. Further, moving to cart-based collection supports a more diverse and equitable workforce with lower reliance on physical ability and less workplace injury.

Truth and Reconciliation

No predicted positive impact, although the lower reliance on landfill and higher diversion rates supported by the recommendation has wide ranging positive environmental impacts and is in keeping with the Township's responsibilities to our Treaty partners.

Climate Change

The Corporate Climate Action Plan (CorCAP) directs staff to Consider energy efficiency standards or the use of low carbon equipment in contracted services and operations.

In alignment with this direction, the recommended option will be working with a company that has a demonstrable commitment to greenhouse gas reductions. Fueling

their vehicles and equipment on compressed natural gas captured from landfills, allows for emissions reductions and cost savings that align with The Township's own goals and values.

In addition, through implementing separated organics collection, the Township will reduce its volume of waste going to the landfill, lessening overall methane emissions created. Further, the shorter distance between waste and the composting site that general waste and landfill will reduce emissions resulting from waste transfer between locations.

Conclusion

Household waste collection, alongside the provision of Fire and Police services, accounts for one of the largest external contracts the Township engages on an ongoing basis. The collection of household waste is a staple of municipal service provision and is a critical service to community and residents. Through a comprehensive RFP process, staff have invited submissions of interest to be providing waste collection services over coming years to the Township, when the existing contract expires in mid-2026. In this report, staff summarize the RFP process and responses and recommend entering into detailed negotiations with Company B for the supply of waste collection services in 2026 and beyond.

Respectfully Submitted: Niall Loble, CAO