Date: 2020-08-12
From: Brian Anderson, Operations & IT Coordinator
Subject: Recycling and Solid Waste Collection Tenders
Report: OPS2020-34

Recommendation

That the Council of the Township of Georgian Bluffs receive report OPS2020-34 from the Operations & IT Coordinator, and

That Council hereby approves entering into a contract into a five (5) year contract with Waste Management of Canada Corporation for the collection of solid waste and recycling, along with disposing of all solid waste and blue box processing to occur at the Waste Management Facility in Mount Forest, and

Further, that a By-law be presented to authorize the solid waste and recycling collection contract.

Background

In 2015, the Township of Georgian Bluffs entered into five (5) year collection agreements with Bruce Services for Solid Waste Collection and Miller Waste for Recycling Collection and Processing.

At the March 4, 2020 meeting Council received correspondence from Bruce Services regarding a proposal to extend the contract at a flat rate of 4% per year. The Director of Operations informed Council this was scheduled to be sent out as a Request for Proposal in the fall of 2020, Council received the correspondence for information.

At the same meeting Council received an email from Miller Waste requesting financial assistance due to the decline in recycling matter resale value.
Council directed staff to bring back a report on the Miller Waste request to the Committee of the Whole meeting where Council approved denying the relief request.

Analysis

On June 30, 2020, RFP 2020-05 Provision of Household Recycling and Disposal and RFP2020-06 Provision of Solid Waste Collection documents were posted on Bids & Tenders as well as circulated directly the Township’s current providers.

The proposals were received and opened on the Township’s live stream on July 31, 2020. The Township received two proposals for the recycling collection, two proposals for the solid waste collection and a proposal from Waste Management to complete a combined collection.

The recycling only proposals received were as follows:

**Miller Waste**
Collection: $357,002.43 + Processing: Included = $357,002.43

**Waste Management**
Collection: $257,524.20 + Processing: $113,100.00* = $370,624.20
(*based on the last three years of collection)

The solid waste collection only proposals received were as follows:

**Bruce Services**
Collection: $312,180.18

**Waste Management**
Collection: $472,671.00

The combined proposal received is as follows:

**Waste Management**
Collection: $502,009.20 + Blue Box Processing: $113,100.00* = $615,109.20
(*based on the last three years of recycling collection)

Under the current contracts with Bruce Services and Miller Waste, the Township is paying $465,751.44 per year. There is a significant increase associated with these RFPs of close to $150,000.00 per year.

Staff attempted to mitigate this by examining additional options such as one day collection or 4 day collection with only Bruce Services providing a
proposal for 4 day collection with a savings of approximately $20,000.00, however, this would not coincide with the recycling collection.

**Financial Impact**

The Waste Management combined collection would offer a savings of approximately $54,000.00 per year in the first year to approximately $65,000.00 in year 5 over the lowest alternative of Miller Waste and Bruce Services continuing to provide service. This is largely due to a fixed processing cost for recycling that is not subject to the annual escalation that is built into the Miller’s collection cost.

Additional, included in the Waste Management proposal was a 5 year fixed tipping fee for solid waste of $85.00 per tonne, a savings of $20.30 per tonne in the first year. Based on last year’s collection of 1330 tonnes disposed of at the Miller Waste Transfer Station providing a further savings of $27,000.00 in the first year. Should the Transfer Station tipping fee increase at the same rate as Miller’s proposed escalation rate (assuming no increase in tonnage collected) year 5 will see savings of over $38,000.00 in tipping fees alone.

By proceeding with the Waste Management proposal, the Township would limit the increase in costs and more than $450,000.00 over the 5 year contract then to proceed with the second lowest alternative.

**Strategic Priorities**

5. **Deliver Effective and Cost-Efficient Services**

The Township will strive to be a leader in municipal and customer service excellence. We will continue to offer remarkable service to those we serve. We will promote operational excellence by focusing on fiscal responsibility. The corporation will be fiscally prudent and we will invest in our staff to attract the best employees.

**Conclusion**

The cost of the Township’s solid waste and recycling has increased significantly from the prior 5 years. Through the Waste Management proposal, the Township decrease this increase by over $450,000.00 per year.
Supporting Documentation

Appendix 1 – Bruce Services Letter – Council March 4th, 2020
Appendix 2 – Miller Waste E-Mail – Council March 4th, 2020
Appendix 3 – Proposed Contract and By-Law

Respectfully Submitted: Brian Anderson
Operations & IT Coordinator

Reviewed by: Tyler Jahnke
Director of Operations