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October 26, 2015

**DEVELOPMENT & INFRASTRUCTURE SERVICES REPORT
PUBLIC WORKS SERVICES 2015-58**

TO: Committee of the Whole

SUBJECT: Northern Six Waste Collection Contract, 2017-2027
Request for Proposal Preparation Update

ORIGIN: Director, Public Works Services

RECOMMENDATIONS

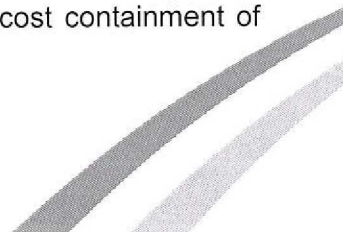
THAT Development and Infrastructure Services Report - Public Works Services – PWS 2015-58, dated September 28, 2015 regarding Northern Six Waste Collection Contract 2017-2027 – Request for Proposal Preparation Update be received and the following recommendation(s) be adopted:

- 1. THAT staff be directed to work collaboratively with the Northern Six municipalities on the preparation of the Request for Proposal (RFP) for a Northern Six Waste Collection Contract;**
- 2. AND THAT Staff develop Service Level Criteria for Customer Service and Response to be included in the Request for Proposal noting best management practices;**
- 3. AND THAT Council adopt the recommended amendments to By-Law 2011-29 (A By-Law for establishing and maintaining a system for collection removal and disposal of garbage, other refuse, yard waste materials, recyclable materials including blue box materials and source separated organics) outlined in Appendix A;**
- 4. AND THAT the 2016 fees and charges by-law include a garbage tag fee of \$2.00, to come into effect in August, 2016;**
- 5. AND THAT promotion and education/outreach of any changes to the By-Law(s) and solid waste services be conducted in 2016 - 2017 in advance of the new contract.**

BACKGROUND

This report provides Council with an update with respect to the preparation of the Northern Six Waste Collection Contract Request for Proposal and to seek Council guidance as it relates to contract priorities respecting levels of service, By-law harmonization, waste diversion and contract costs.

In 2007 the Northern Six Municipalities (N6) of York Region being; The Towns of Aurora, East Gwillimbury, Georgina, Newmarket, Whitchurch Stouffville and Township of King collectively entered into a ten-year waste collection contract. This award winning contract was the first N6 initiative in which the municipalities collaborated with one another to leverage the economies of scale for the benefit of cost containment of municipally delivered services.



The N6 was recognized at both the Federation of Canadian Municipalities (FCM) Sustainable Community Awards, and the Association of Municipalities of Ontario (AMO) Conference. Together the six municipalities accepted top honours in the waste management category for the Northern Six Joint Waste Collection Contract and Green Bin program at FCM and the AMO P.J. Marshall Certificate of Merit Award for excellence in innovation.

Collaborative savings of one million dollars per year was projected over the life of the contract. York Region conducted an audit on behalf of the municipalities and this audit confirmed that the 2008 savings were higher and costs were lower than expected.

Building upon the successes and experiences of the 2007-2017 N6 waste collection contract, staff have initiated the preparation of the new contract with the intent of having Request for Proposal documents prepared prior to the end of 2015. The new waste contract will have to be awarded in the spring of 2016 to ensure the successful bidder has time to order trucks and equipment, and put processes in place for a September 2017 start.

ANALYSIS

Using the current N6 waste collection contract as a basis, staff will prepare the new contract, taking into consideration the current contract performance, customer service levels, cost containment/savings, impact on the environment and implementation of new technologies. Staff will also incorporate such improvements as directed by Council for the benefit the residents of the Northern Six municipalities.

Additionally, and where feasible, the SM4RT Living Plan, Integrated Waste Management Master Plan will be incorporated into this contract.

Before proceeding with preparation of the Request for Proposal documents, staff wish to consult with each of the respective N6 Councils to ensure the new contract meets Council priorities.

Contract Priorities

Providing the highest level of service at the lowest possible cost to residents is the key consideration for any publically provided service. Staff have identified the following priorities for the future contract and will evaluate bids accordingly:

- Cost containment
- Maintain current level of service
- Convenience to residents
- Diversion rates

Staff identified early on in the Request for Proposal preparation process that efficiencies and cost containment may be realized if the municipalities more closely align collection services. These aligned services are expected to help contain costs. Aligned services also provide the contractor flexibility in collection services, other efficiencies, and staff training.

Acknowledging that each of the Northern Six municipalities may choose to offer differing levels of service in certain areas such as Downtown (BIA), Commercial and multi-residential collection, as is done now, staff identified other possible changes/alignments that may be standardized throughout the N6.

Harmonization of Waste Collection By-Laws

In preparation for the upcoming N6 municipal 2017 waste collection contract, staff undertook a review of the waste management By-Laws and provisions for the new waste collection procurement process. The review resulted in a number of recommendations to harmonize the regulations in an effort to provide operational efficiencies and increase the effectiveness of the 2017 waste collection contract.

Staff anticipate harmonization of waste collection By-Laws across the N6 could have significant positive benefits. This harmonization would provide for consistent messaging throughout the N6 including communications from our call centres, coordinated promotion and education materials and improved contract enforcement.

Harmonization would also provide maximum flexibility for the contractor delivering service across municipal boundaries, over large geographic areas and throughout the urban-rural makeup of the N6. The harmonization is also expected to reduce costs as the collection logistics of each municipality will be similar and create efficiencies for collection.

Harmonization of waste by-laws could include:

- Frequency of collection
 - Garbage – every 2 weeks
 - Recycling – every week
 - Source Separated Organics – every week
 - Yard Waste – seasonal every other week
 - Bulky items – call in service
- Type of waste collected – uniform material collection throughout the N6 will reduce confusion for the contractor, allow them to enforce the By-Law uniformly at the curb as per the Contract and maintain a consistent level of service for all residents. The “My Waste App” and the Region’s “Bindicator” can be used by residents to check what is accepted in each of the waste streams.
- Bag limits - The By-laws regulating bag limits for the collection of garbage varies for each municipality. Waste audits completed in various urban municipalities demonstrate average set out of 1.18 garbage bags per week. A limit of 2 bags every other week would be reasonable, drive waste diversion and harmonize the By-laws. This is an environmentally sustainable limit especially when combined with the ability to purchase bag tags. It also aligns with other municipalities in York Region.
- Ability to purchase bag tags and/or white good and bulky tags – Currently, in Newmarket, bag tags are \$2.40 each. As indicated below, this is the highest in the N6. If bag limits are reduced, it is recommended that the bag tags be reduced to \$2.00 each. Bulky item and white good tags, which are \$12.00, would remain unchanged. White goods are only collected if prearranged through the contractor before the regular garbage day pick up.

Municipality	Current bag limit (every other week)	Bag Tag Fees	Approximate Revenue for 2015
Aurora	3	No bag tag program	
East Gwillimbury	Residential 2, ICI 4	No bag tag program	
Georgina	1	\$1 each	\$160,000
King	2	\$1 each	\$20,000
Newmarket	Residential 3, ICI 6	\$2.40 each	\$35,000
Whitchurch-Stouffville	3	\$2 each	\$11,600
Markham	Unlimited clear bags		
Richmond Hill	3	\$2 each	\$50,000
Vaughan	3	\$1.10 each	\$12,300
Region of Peel	2	\$1 each	
Region of Durham	4	\$2.50 each	

- Acceptable receptacles and containers - The current municipal waste management By-laws vary regarding the regulation size and weight of garbage, recycling and yard waste containers residents can use to set out their waste material. Establishing a standard size and weight for waste collection containers will provide consistency for the contractor and make it easier for municipal enforcement.
- Enforcement – The contractor is expected to enforce municipal By-Laws as per the contract, when appropriate, by collecting or not collecting certain material, receptacles and limits. With the harmonization of the N6 By-Laws, this enforcement is more uniform, training is efficient and it reduces confusion which lead to calls from residents and confusion with respect to collection processes. It also allows the N6 to communicate, promote and educate the public as a collective on appropriate practices for solid waste collection.

Call Centre - Customer Service Approach

In previous discussions with Council, a contractor operated call centre for residents is not necessarily a requirement of the next waste collection contract. Currently the contractor's call centre addresses missed collections, damaged collection containers or other complaints. Residents are also able to schedule special waste collections, such as white good collection, using the call centre.

The call centre has reduced the number of calls to N6 front-line staff, however the individual municipalities still receive a number of calls and there have been complaints with respect to the Contractor's service level.

To this point, staff are developing Service Level Criteria (SLC) and Key Performance Indicators (KPIs) to include in the RFP. These will be based on the current Town of Newmarket Service Level Criteria and KPIs from the award winning Customer Service Department. Within the Proposal, the bidder will indicate how they plan to abide by the SLC and KPIs. The variables that will be included would be response times of call pickups, field investigations and email and phone call follow up along with Abandonment rate – the number of people who hang up because they can't get through relative to all calls recieved.

The cost for a Service Level Model will be listed as a provisional item in the RFP. Proponents will be required to price the provision of a call centre to manage customer service complaints and inquiries. This approach will provide an opportunity to evaluate the cost to consolidate customer calls through a single call centre. Once the Proposal is closed and the cost determined, it can be compared to the other models:

- Contractor operated call centre for N6 collectively
- Contractor operated call centre for individual municipalities
- Assigning this service under agreement to a third party under a separate contract
- Assigning this service under agreement to one of the N6 municipality's call centre for all of the N6

The first priority of any Service Level Model is to provide a service to N6 residents. Staff feel that by identifying KPIs and SLCs this will determine the best possible option for customer satisfaction and it can be measured and compared throughout the four models. Penalties for non-compliance would also be included as part of the Contract. Once the models are evaluated, the analysis can be presented to each of the N6 Councils for consideration.

Other Contract Considerations

The 2017 contract term is recommended to be 8 years which allows time for the contractor to amortize the cost of capital equipment which should result in savings to the municipalities. The term of the 2017 contract will also include an option for 2 one year extensions with the expectation that if the contract is extended, the contractor will demonstrate savings to the municipalities. The RFP will include a provisional option for a cost to provide a 1 year extension in year 9 and a 2 year extension into years 9 and 10.

To maximize waste collection efficiencies and cost savings to the municipalities, front end containers used to service Industrial Commercial Institutional (ICI) locations are to be equipped with RFID tags. Radio-frequency identification (RFID) is the wireless use of a small electronic device to transfer data, for the purposes of automatically identifying tags attached to objects. RFID will allow municipal staff to track the collection and weight of containers emptied by the contractor, and therefore, facilitate cross boundary collection which increases efficiency and reduces cost.

GPS route tracking will also be included as part of the requirements for vehicles and the municipalities will be supplied with applicable software to track vehicle location. This will allow the municipality to track vehicle speed, direction of travel and time of day placement. This ability is intended to improve contract conformance, increase the service level, ensure accuracy of billing and allow the municipalities to quickly resolve potential customer service issues that may arise.

Currently an inventory of recycling and SSO containers is maintained by each of the N6 municipalities for new residents and to replace broken containers, free of charge. In the new contract this function is to be transferred to the waste collection contractor. It is also recommended that the N6 develop a uniform logo for the containers. This will create cost savings when purchasing containers and free up space at municipal facilities and also create delivery efficiencies since the contractor's supervisors are in the collection area and monitor routes daily. This will also reduce confusion for N6 residents and allow additional convenience and uniformity throughout the collection area. All existing municipally provided receptacles would be accepted.

The RFP will also include a clause for sale of contract. This will be a mechanism for municipalities to vet the new contractor based on their performance before accepting the new company as the replacement of the previous one. All transfers would be required to be endorsed by the six municipalities and the contract and level of service would remain the same.

A no lobby clause will be included in the new RFP document to ensure fair and transparent bids and reduce potential negative perception of the bidding process. This would be in addition to the Procurement By-Law 2014-27 (section 25) that already prohibits lobbying.

SM4RT Living Plan, Integrated Waste Management Master Plan

The Integrated Waste Management Master Plan has been endorsed by York Region and each of the N6 municipalities. The plan is an innovative, long-term plan to drive waste reduction and reuse over the next 25 to 40 years.

The two principles that embody the SM4RT Living plan are:

- Decrease waste generation/increase material recovery
- Manage total cost of waste/recovery programs

The SM4RT Living Plan will not only incorporate the traditional 3R's (reduce, reuse, recycle), but will incorporate a fourth R – energy recovery from waste after all other diversion efforts have been exhausted. The new contract will have flexibility and forethought to include potential changes throughout the life of the contract to incorporate aspects of the SM4RT Living Plan and support a more sustainable, environmentally conscious solid waste collection process.

Lobbying

Standard practice as well as the Town's Procurement By-law prohibits lobbying of elected officials and Town employees by proponents after the release of the RFP through to the award of the contract (referred to as a "black out" period). The following are excerpts from Town of Newmarket RFPs and will be included in the Northern Six Waste Collection Contract, 2017-2027

Blackout Period

The Blackout Period begins when the Bid Call Document is issued and ends when the Contract is signed by the Owner and the selected Proponent. During the Blackout Period, Proponents must conduct all communication about the procurement only with the Procurement Representative stated in this Bid Document.

Any communication initiated by a Proponent to elected officials or staff of the Owner other than to the Procurement staff during the "Blackout Period" may be grounds for disqualifying the offending Proponent from consideration for contract award.

During the competitive period (Blackout Period) Proponents may submit an emailed written question to the Procurement representative. The Procurement representative may issue a written addendum to provide clarification or modification to the Bid Call Document. The addendum will be published on the Owner's Bid Opportunities website.

Lobbying Prohibited

If any director, officer, employee, agent or other representative of a Proponent, including any other parties that may be involved in a joint venture, consortium or similar business relationship with the Proponent, makes, from the time the Bid Documents are released until a contract is executed, any representation or solicitation to any elected representative or employee or agent of the Owner including project consultants, or to the media, with respect to the Proponent's Bid, the Owner will be entitled to reject the Bid. This requirement does not extend to any public deputations.

Prior to the release of the RFP, Council may wish to consider a voluntary lobbying registry which provides for a public record of lobbying activities by proponents to Members of Newmarket Council. The voluntary

registry envisioned here is different than the lobbying by-law and lobbyist registrar regime set out in the Municipal Act, which provides for a broader framework applying to lobbying generally and an accountability officer dedicated to registration functions, education and enforcement. The concept and intent is generally the same and can be viewed as a transparency best practice.

A joint Legal and Legislative Services information report (to be released the week of November 2) will outline a process and administrative procedures for a voluntary lobbying registry prior to the issuance of the RFP.

CONCLUSION

The Northern Six Municipalities of York Region are preparing the "Northern Six Waste Collection Contract, 2017-2027" Request for Proposal documents for the collection and haulage of collectible waste for the term 2017-2027.

Procurement documents will ensure that the future waste collection contract meets or exceeds the current level of service provided to residents.

By-Law harmonization will allow for more efficient and cost effective bids from proponents as it standardizes variables between municipalities, reduces confusion for the contractor and homogenizes the level of service for all N6 residents.

Staff from all six municipalities are participating in the preparation of the Proposal documents and direction from this report will be incorporated into the future contract.

Proposal results will be reported to Council no later than summer 2016 at which time Council can provide further direction regarding service levels.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

Well Equipped and Managed

Deliver affordable, efficient and effective water distribution, wastewater and solid waste collection services that meet or exceed provincially mandated requirements, Council and the public's expectations, while promoting and encouraging solid waste diversion through recycling, composting, rethinking, reusing, reducing and implementing programs to achieve a realistic diversion rate and environmental protection.

HUMAN RESOURCE CONSIDERATIONS

No impact to current staffing levels.

IMPACT ON BUDGET

Operating Budget (Current and Future)

Future financial implications related to this Proposal will be addressed during the 2016 and 2017 budget processes.


Staff are expecting to release the Request for Proposal in Q1 of 2016 for the Contractor to bid in Q2. This will allow the successful bidder to order and obtain vehicles to start with the full implementation of the contract in September 2017.

Capital Budget

No impact to the Capital Budget.

CONTACT

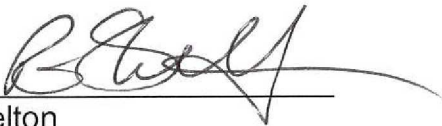
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Commissioner, Development & Infrastructure Services



R. Shelton
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Appendix A to DEVELOPMENT & INFRASTRUCTURE SERVICES REPORT - Report 2015-58

Item Number	Current Solid Waste By-law Section	Amendment description / Discussion point	Current Solid Waste By-law	Proposed Amendment(s)
1.	1 Definitions	Updates definition of "Director"	1.15 Means Director of Public Works and Environmental Services	1.15 Means Director of Public Works Services
2.	5 Collectible Waste Restrictions	Reduces amount of bags per household from three (3) every two weeks to two (2) every two weeks	5.1 The number of untagged Garbage Containers put out for Collection from any Residential Premises on any collection day shall not exceed three (3) for Containers for each Dwelling Unit	5.1 The number of untagged Garbage Containers put out for Collection from any Residential Premises on any collection day shall not exceed two (2) for Containers for each Dwelling Unit
3.	5 Collectible Waste Restrictions	Reduces amount of bags per commercial institution from six (6) every two weeks to four (4) every two weeks	5.2 The number of untagged Garbage Containers put out for Collection from any Commercial or Institutional Premises shall not exceed six (6) for each Collection day	5.2 The number of untagged Garbage Containers put out for Collection from any Commercial or Institutional Premises shall not exceed four (4) for each Collection day
4.	5 Collectible Waste Restrictions	Reduces amount of bags per ADU from three (3) every two weeks to two (2) every two weeks	5.3 The number of untagged Garbage Containers put out for Collection from any registered ADU shall not exceed three (3) for each Collection day	5.3 The number of untagged Garbage Containers put out for Collection from any registered ADU shall not exceed two (2) for each Collection day
5.	7. Approved Receptacles	Increases the size of garbage Containers	7.1.1 The receptacle shall have a maximum size of 98 litres (3.5 cu ft).	7.1.1 The receptacle shall have a maximum size of 125 litres (4.4 cu ft) .
6.	7. Approved Receptacles Whole	Town provided Blue Boxes only to be approved.	7.2.1 Which shall not exceed 50 cm (20 inches) in height and 50 cm (20 inches) in width and 66 cm (26 inches) in length	7.2.1 Which are supplied by the municipality or as the Director may prescribe from time to time

Appendix A to DEVELOPMENT & INFRASTRUCTURE SERVICES REPORT - Report 2015-58

Item Number	Current Solid Waste By-law Section	Amendment description / Discussion point	Current Solid Waste By-law	Proposed Amendment(s)
7.	8 User Fees	Reduces amount of garbage from three (3) Containers to two (2)	8.1 No person shall set out more than three (3) Containers of Garbage without a Tag	8.1 No person shall set out more than two (2) Containers of Garbage without a Tag