

Region of Waterloo
Engineering and Environmental Services
Waste Management

To: Planning and Works Committee
Meeting Date: February 7, 2023
Report Title: Curbside Waste Collection Changes

1. Recommendation

That the Regional Municipality of Waterloo take the following action with respect to the next contract for curbside waste collection as set out in report EES-WMS-23-003, dated February 7, 2023:

- a. Maintain existing service levels and collection frequencies for garbage, organics, bulky and large metal items, yard waste and Christmas trees for single-family homes, duplexes, 3 to 6 unit buildings, and multi-family units and townhouses that meet truck-access criteria
- b. Convert to automated cart collection for garbage and green bin organics. (Items such as bulky or large metal items, yard waste and Christmas trees will continue to be collected manually)
- c. Include requirements for alternative fuel sources for collection vehicles to reduce greenhouse gas emissions
- d. Change the current service level of a five day collection week to a four day collection week (Tuesday to Friday); and,

That staff be directed to examine the level of service for curbside waste collection for Industrial, Commercial and Institutional (IC&I) properties that currently receive curbside collection and report back to Committee with options for consideration.

2. Purpose / Issue:

The purpose of this report is to receive approval on service level changes which will inform the new curbside collection contract, and provide Council preliminary information about upcoming curbside waste collection changes in March 2026.

3. Strategic Plan:

This supports the Corporate Strategic Plan's Environment and Climate Action Focus Area: Strategic Objective 3.3: Direct more waste away from landfill, improve recycling

and better manage organic waste, and Objective 3.1: Reduce greenhouse gas emissions

4. Report Highlights:

- A new curbside waste collection contract is required to be in place by March 2026 to align with the end of the existing contract.
- Given lead times of up to two years are now required by service providers to obtain new collection vehicles, it is necessary to factor in potential delays with supply chains and resources, therefore a Request for Proposal (RFP) will be required to be advertised by the end of Q3 of 2023. This will allow sufficient time for service providers to submit bids and staff to award the contract to align with the end of the existing contract.
- Existing service levels and collection frequencies are recommended to remain the same for garbage, organics, bulky and large metal items, yard waste and Christmas trees for single-family homes, duplexes, 3 to 6 unit buildings, and multi-family units and townhouses that meet truck-access criteria.
- Based on a jurisdictional scan and industry best management practices, staff recommend:
 - Converting to automated cart collection for garbage and organics. This greatly reduces contractor resourcing, as well as improves safety. Items such as bulky or large metal items, yard waste and Christmas trees will continue to be collected manually
 - Alternative fuel sources be required for collection vehicles to reduce greenhouse gas emissions. This aligns with the Region's Environment and Climate Focus Area
 - A service level change from a five day collection week to a four-day collection week (Tuesday to Friday). This reduces collection on statutory holidays (most being Mondays), while building in more redundancy to manage unplanned collection interruptions such as inclement weather
- Under the current contract, a small number of IC&I customers receive curbside collection at a cost of approximately \$625,000 per year. As municipalities are not required to provide waste services to businesses under the Municipal Act, continuation of this service should be evaluated further. Staff will continue to review this level of service and report back to Council later in 2023.
- Pending Council approval, an extensive communication campaign will be prepared to inform and educate impacted residents, businesses, and properties

about the upcoming curbside waste collection changes.

5. Background:

Existing Level of Service

The Region of Waterloo provides curbside collection service to approximately 161,000 single-family homes, duplexes, and 3 to 6 unit buildings and 8,500 multi-family units and townhouse complexes that meet truck-access criteria. Most of the collection is done manually, by lifting waste materials and placing them into the collection trucks.

Curbside waste collection is contracted out, with Miller Waste Systems providing service in the Tri-Cities, and Emterra Environmental providing service in the Townships. The existing contract is for seven years, and commenced in March 2017. In April 2022, under the terms and conditions described in Report TES-WMS-16-01, dated January 12, 2016, Council approved a two-year contract extension until March 2, 2026. The extension was required for staff to understand the potential implications of the Blue Box Transition process, and allow sufficient time to develop, assess, and award a new curbside waste collection contract. The current collection contract for 2023 is budgeted at \$24 million in the 2023 operating budget.

Single-family homes, duplexes, and 3 to 6 unit buildings properties receive:

- Bi-weekly garbage collection with a three bag limit (ten bags for 3 to 6 units)
- Weekly blue box and green bin collection with no limit
- Bi-weekly bulky item collection with a three item limit (ten items for 3 to 6 units)
- Seasonal bi-weekly yard waste collection with no limit
- Seasonal Christmas tree collection following the holidays

41,000 multi-family units receive recycling services only, using larger capacity (360 litre) carts on a weekly basis.

Businesses within the Downtowns in Cambridge (Galt, Hespeler, Preston), Kitchener and Waterloo currently receive a premium service with six day a week garbage collection, with a ten bag limit and weekly recycling collection. Downtowns in the Townships, with the exception of Wellesley, as well as Belmont Village in Kitchener, receive weekly recycling and weekly garbage collection. There are approximately 1500 businesses which receive this service. This service is funded from the tax levy.

Blue Box Transition

It is now understood that blue box and cart recycling collection will transition to full producer responsibility as of March 2024, and continue until December 31, 2025 with either the Region or Circular Materials Ontario (CMO) administering the service as

described in Report EES-WMS-23-001. However, beyond transition (post 2026) staff are still in discussion with producers to determine if the Region will administer blue box collection services on behalf of producers as part of the next curbside collection contract.

Challenges with Manual Waste Collection

There are on-going and evolving changes for the waste industry with major challenges around staff recruitment and retention for manual waste collection. Specifically challenges exist due to:

- A limited labour pool as the work requires extensive physical labour
- Working in adverse conditions due to nuisances, weather, type of work, and negative perceptions
- Health and safety risks with on-going lifting of heavy waste materials, and slips, trips and falls from exiting and entering a truck

Based on industry research, it will be difficult to receive competitive bids from service providers to continue to provide manual waste collection for garbage and organics. Items such as bulky or large metal items, yard waste and Christmas trees will continue to be collected manually due to the variable quantity of waste, and size limit of a cart for large items.

Proposed Level of Service and Contract Requirements

Automated Cart Collection

Staff recommend following industry best management practices, and collecting garbage and organics in carts. By converting collections, there will be improvements to:

- Health and safety to reduce injuries for workers
- Efficiencies for stop times curbside which introduces opportunities for efficiencies in route logistics
- Mitigating safety risks by having the driver inside the vehicle, using 360 degree cameras to view the area outside of the truck
- Reduce litter from windy days, and pests
- Create consistency in containers and aesthetics curbside
- Staff recruitment for contractors, while diversifying the workforce. This also aligns with the Region of Waterloo's Strategic Plan: Create a competitive business-supportive community to help attract, retain and grow employers, talent and investments in Waterloo Region (Thriving Economy Focus Area Objective 1.1)

Alternative Fuels

Alternative fuel sources such as compressed natural gas or renewable natural gas will be recommended, due to unpredictable fuel costs for diesel, and to align with the Region of Waterloo's Strategic Plan: Reduce greenhouse gas emissions (Environment and Climate Action Focus Area Objective 3.1) by reducing the production of the organizations Green House Gas emissions through the introduction of an alternative fuel powered fleet.

This mandatory contract requirement will support the Region's 2023 Plan and Budget: Building World Class as presented on November 30, 2022.

Other municipalities in Ontario are using similar fleet and fuel sources for their waste collection.

Four-Day Collection Schedule

Changing waste collection from five days (Monday to Friday) to four days (Tuesday to Friday) will:

- Reduce collection on statutory holidays which typically are on Mondays
- Build in a back-up day for collections in case of inclement weather or unplanned interruptions
- Allow for re-balancing of routes, to create efficiencies and optimization to accommodate growth in new neighbourhoods, and distance travelled to unload at the Waterloo and Cambridge Waste Management Centres
- Support staff recruitment and retention for the contractor by offering a four day work week and most statutory holidays off

Properties to Receive Service and Level of Service

Service levels will remain the same for single-family homes, duplexes, 3 to 6 unit buildings, and multi-family units and townhouses that meet truck-access criteria.

The Municipal Act only legislates municipalities to provide waste services to residents and not to businesses. The Region provides waste services to 1,505 businesses in downtowns. This level of service to businesses is historical and a level of service determined by Council. The current cost of delivering this service is approximately \$625,000.

The Blue Box Transition does not legislate producers to pick up recycling from businesses. To align with this change, the Region has the opportunity to review our own service levels. Under consideration are the following:

- The Region's residential waste collection service with automated carts will not meet the needs of the Industrial, Commercial and Institutional (IC&I) sector
- Waste generated from a business may not meet the service levels of the residential program due to the quantity of waste generated, the collection frequency, and may have a lack of storage space for the carts
- There are private waste management companies that would better suit the needs of the IC&I sector

6. Area Municipality Communication and Public/Stakeholder Engagement:

Area Municipality Communication:

In 2023, staff will reach out to affected local stakeholders (e.g. area municipalities, Downtowns, etc.) to clarify potential impacts and how best to proceed to ensure as

seamless and effective transition as possible.

Staff will also arrange to present to local municipal Councils about the upcoming changes and impacts to curbside waste collection. This will be done alongside information about the Blue Box Transition.

Public/Stakeholder Engagement:

An extensive communication and public awareness campaign will be required to inform and educate impacted residents, businesses, and properties about the upcoming curbside waste collection changes. The communication campaign will be completed in stages – e.g. Phase One: Awareness, Phase Two: Preparation, Phase Three: Implementation, and Phase Four: Reinforcement and Retention.

7. Financial Implications:

There are no immediate financial impacts to the 2023 Waste Management Budget. The current collection contract for 2023 is budgeted at \$24 million in the Preliminary 2023 operating budget.

The proposal to convert to automated cart collection for garbage and green bin organics will require the acquisition of carts. The preliminary 2023-2032 Waste Management Capital Program includes \$24.55M in 2025 to 2032 for the acquisition of carts. This investment is anticipated to be funded/financed from the Waste Management Capital Reserve.

The cost associated with the acquisition of new and appropriately equipped vehicles to accommodate cart collection will be included in the bids to be submitted by private sector service providers. A very small portion of vehicle-related capital costs can be recovered from future development charges.

It is difficult at this point to estimate the financial impact of the proposed requirement for bidders to incorporate alternative fuel sources for collection vehicles to reduce greenhouse gas emissions and what a transition to a 4-day collection schedule would have on costs as there isn't enough available data at this time.

There are no immediate financial implications associated with this report. Future financial implications will impact the Region starting in 2026.

8. Conclusion / Next Steps:

To prepare for a new contract to commence in March 2026, a Request for Proposal will be required by end of Q3 of 2023 as lead times of up to two years are now required by

contractors to obtain new collection vehicles and it is necessary to factor in potential delays with supply chains and resources. Staff will be obtaining the services of a Fairness Monitor due to the value of this work.

Staff will start preparing the request for proposal document and report back to Committee mid-year with further contract recommendations, details on the proposed communication and public awareness campaign as well as the proposed procurement process.

9. Attachments:

None.

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