



The Corporation of the City of Elliot Lake

Staff Report ENV2021-03

Report of the **Director of Public Works**
for the Consideration of Council

**RE: RESIDENTIAL CURBSIDE AND OVERHEAD BIN RECYCLING COLLECTION
SERVICES**

OBJECTIVE

To provide Mayor and Council with information regarding the proposed contract between GFL Environmental and the City of Elliot Lake for the provision of residential curbside and overhead bin recycling collection services.

RECOMMENDATION

THAT Staff Report ENV2021-03 dated June 15, 2021 of the Director of Public Works be received;

AND THAT contract ENV2021-03 be forwarded to council for approval for both residential curbside and overhead bin recycling collection services to GFL Environmental for a 54 month period at a total amount of **\$954,830.00** plus applicable taxes.

Respectfully Submitted

Daryl Halloch
Director of Public Works

Approved

Daniel Gagnon
Chief Administrative Officer

June 15, 2021

BACKGROUND

Curb side and depot recycling collection is an essential component of the City of Elliot Lake waste management system. In provision of the service, the municipality both engages in good environmental stewardship practices and diverts waste from the landfill site.

This service was provided by Municipal Waste and Recycling Consultants since 2011. In July of 2019, GFL Environmental bought out Municipal Waste and Recycling Consultants and was responsible for the remaining 5 year contract signed in 2016.

The tender ENV2021-03, which addressed service delivery to approximately 4,016 households, includes the provision of all labour, materials, and equipment necessary for the collection of residential and depot recycled material. The tender document outlined all requirements, specifications, and standards which must be adhered to. In keeping with the “Bear Wise” initiatives within the community, the tender called for all collection to take place in a one day period on a weekly basis.

A Waste Management System Certificate of Approval, issued by the Ministry of the Environment and Climate Change, is required to transport the waste solids and was a strict requirement for all bidders.

The Tender was advertised on the City of Elliot Lake website, as well as the Bids and Tenders website. One firm submitted a response to the tender.

ANALYSIS

CURBSIDE RECYCLING COLLECTION

Currently the City of Elliot Lake pays **\$123, 970.80 plus applicable taxes** annually. New annual price beginning July 1 2021 would be **\$140,008 plus applicable taxes** (an approximate increase of 14%) with an annual increase of 3% - resulting in a 54 month total of **\$670,451 plus applicable taxes** for the curbside recycling pick up.

Overhead Recycling Bins

Currently the City of Elliot Lake pays **\$52,977 plus applicable taxes** annually. New annual price beginning July 1, 2021 would be **\$59,523 plus applicable taxes** (an approximate increase of 12%) with an annual increase of 3% - resulting in a 54 month total of **\$284,372 plus applicable taxes**.

The new cost for the 54 months is due to significant new costs that have hit the recycling industry. As everyone’s aware, the North American recycling commodity market came to a near crash in early 2018, since then, countries like China have closed the doors to the majority of commodities from North America, which at one time took close to 100% of the material. Recycling contractors like GFL have been fighting a “supply & demand” type market, where there is so much recyclable material and not enough demand. That being said, buyers of commodities have implemented very significant measures, specifically on cleanliness and contamination in order for them to “buy” the material (whether it be positive or negative material). Since this happened in late 2017/early 2018, GFL has had to rework/retool MRFs (material recycling facilities) in order to pre-sort/sort/clean and bale material to make it eye catching and “marketable”. The end product that GFL creates has made them a leader in the recycling industry, however , at a significant cost.

As for the City of Elliot Lake, in order for the increase to be more “palatable”, GFL is willing to open up the collection “basket of goods” to a full #1-7 collection, regarding recyclable plastics. Currently the City is allowed to recycle #1 to 6 in plastics. This will allow residents to recycle more material, while preventing it from being disposed of at the landfill. This 54 month contract will bring the City of Elliot Lake to the transition period where the amended blue box program transfers all financial responsibilities to the producers and packaging plants.

FINANCIAL IMPACT

There was a total of **\$177,000.⁰⁰** budgeted in 2021 for residential curbside and overhead bin recycling collection services. The bid submitted by GFL Environmental of **\$199, 531⁰⁰** plus applicable taxes results in an amount of **\$22,531⁰⁰** over budget that will be captured in the end of year variance report.

LINKS TO STRATEGIC PLAN

Approval of this request will uphold the commitment of Mayor and Council toward “Continued Investment into Infrastructure”. The recommendations in this report serve to assist in the “Clean up and optimization of the Waste Management System”.

SUMMARY

Approving the recommendation presented in this report will ensure continuity in the provision of a necessary service. The recommended service provider meets all of the specifications and requirements outlined in the tender, has a proven level of competency in the delivery of this service, and has provided a price below the budgeted amount.