

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

Item 11, Report No. 9, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on March 19, 2013.

11 SOLID WASTE MANAGEMENT OPERATIONAL REVIEW – STATUS UPDATE

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Commissioner of Engineering and Public Works, dated February 26, 2013:

Recommendation

The Commissioner of Engineering and Public Works, in consultation with the Commissioner of Finance and City Treasurer, the Commissioner of Community Services, the Commissioner of Strategic & Corporate Services, and the Senior Manager of Strategic Planning, recommends that:

1. This report be received for information.

Contribution to Sustainability

This operational review is intended to review the current practices related to the collection of solid waste in the City's Public Works, Parks & Forestry Operations, and Buildings & Facilities Departments. Through this review, there may be opportunities for efficiencies, which will contribute to the overall sustainability of these programs, and the financial outlook of the City.

Economic Impact

As outlined later in the report, there is a requirement to hire a consultant to assist with reviewing the various municipal solid waste collection services, to determine potential cost savings and/or efficiencies, as well as service delivery options. Funds have been provided in the draft 2013 Operating Budget for this undertaking.

Communications Plan

Once all the phases of the Operational Review have been completed, the results will be put forward to Council in a public report.

Purpose

To update Council as to the status of the Operational Review concerning solid waste management.

Background - Analysis and Options

At its meeting of January 31, 2012 (Item 1, Report 21), Council approved the recommendation of the Commissioner of Engineering & Public Works to undertake an operational review of solid waste management collection services.

Three City departments are currently involved with collection of waste in one form or another

The collection of waste materials is currently managed by three City departments. Residential waste collection is managed by the City's Public Works Department. Collection of waste from the various City-owned facilities is managed by the Buildings & Facilities Department, while collection of waste from City parks and sports fields is managed by the Parks & Forestry Operations Department.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

Item 11, CW Report No. 9 – Page 2

A project steering committee for the operational review was created consisting of the following staff:

Commissioner of Engineering & Public Works
Commissioner of Community Services
Commissioner of Finance & City Treasurer
Director of Public Works
Director of Parks & Forestry Operations
Director of Buildings & Facilities
Senior Manager of Strategic Planning
Manager of Solid Waste
Manager of Parks Operations
Buildings Manager

Subsequent to the start of the review, the new Commissioner of Strategic & Corporate Services was hired, and now is also a member of this review team. Once the Director of Innovation & Continuous Improvement is hired, they will be also part of this review team.

The data collection phase of this review has been completed

The review is taking place in four stages. The first is the Data Collection phase. This involved collecting data on all business processes involved in the solid waste collection area. This was completed at the end of the second quarter of 2012.

A number of business activities have been identified relating to solid waste collection across the City

A key task required prior to assessing service delivery model options and considerations is to identify current business functions and processes. These various activities include:

- Blue box, green bin and garbage collection;
- Sales of blue boxes/green bins/garbage tags;
- Administration of Double-Up Days;
- Large Household Collection Program;
- Administration of Environmental Days;
- Park debris collection;
- Sports field debris clean up;
- Administration of Service in Kind/Community events;

The cost of these various business activities range from \$1,600 to \$3.6M annually.

Phase 1 data collection was extensive

In identifying the various business activities, staff were required to provide information on the following criteria:

- Description of the business process
- Opportunities for significant changes or improvements
- Service triggers (planned vs. demand)
- Outputs/outcomes
- Linkage to other City services
- Legislative requirements
- Service standards (Council directed/Operational mandated/best practice)
- How are service levels measured

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

Item 11, CW Report No. 9 – Page 3

- Level of importance/satisfaction (Ipsos Reid)
- Key stakeholders
- Cost drivers
- 2012 budgeted cost
- Source of funding
- Revenue generation opportunities
- Opportunities for outsourcing

The collection of such information also facilitates a more comprehensive evaluation of the program and its business activities. The evaluation framework includes an assessment of “relevance”, “success”, and “cost-effectiveness” against stated program objectives.

Objective criteria was developed to pare down the number of areas for review

Once the data was collected the business processes were evaluated against the following criteria:

- A monetary activity cost threshold of \$20,000 per year
- Opportunities for efficiencies through process or technological changes
- Opportunities for the service to be contracted out
- Mandated (federally or provincially) versus Council approved program
- Opportunities for cost savings or revenue generation

This selection criteria was chosen to focus on those areas with increased potential for cost efficiencies, or where staff felt there that further information was needed in order to make an assessment.

Of the numerous waste related activities, the following met the above noted criteria:

- Residential waste collection (single family and multi-residential) \$3.8 M / year
- Residential blue box collection (single family and multi-residential) \$2.7M / year
- Residential green bin collection (single family) \$1.2M / year
- Residential leaf & yard waste collection \$1.0M / year
- Blue box, green bin, composter sales \$138K / year
- Environmental Days \$30K / year
- Public space collection (includes park and sports field recycling and debris container collection \$629K/ year, boulevard debris collection \$87K / year, waste collection at City facilities \$73K / year, and recycling collection at City facilities \$20K / year)
- Service in kind / community events container collection and debris pick-up \$26K/year

Although not meeting the above noted criteria, the following are also being looked at as part of this review to address opportunities or challenges that have been previously identified:

- Canada Post mail box debris
- Expansion of waste diversion programs at City facilities

Insufficient staff resources to undertake Phase 2 of this review requires the acquisition of professional consulting services.

The detailed financial and business analysis, benchmarking, and potential public consultation requires the retention of a consultant to assist with the cost analysis and benchmarking review of the various collection models used across municipalities, and evaluation of alternate service delivery options.

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

Item 11, CW Report No. 9 – Page 4

Opportunities for significant cost savings in the City's residential waste collection programs without significant service level changes may be limited

The residential waste collection programs that are managed by the Public Works Department are the most costly of all the City's waste collection services.

The cost to residents for their current residential waste collection services is approximately \$105 / year for 155 collections per year. Almost \$8.8 million is budgeted annually for the residential waste collection services provided through Public Works, and the breakdown of the budget is as follows:

\$ 3,861,792 for Residual Waste (garbage) collection
\$ 2,665,211 for Recycling (blue box) collection
\$ 1,175,328 for Green Bin (organics) collection
\$ 1,011,928 for Leaf and Yard Waste collection
\$ 9,800 for Appliance / Metal Recovery collection

As these collection services are fully contracted out, and the contract was awarded to the lowest bidder, the opportunities for cost efficiencies appear to be limited to either, changing the current levels of service, or, potentially changing the method of collection.

Alternative collection methods will also be assessed to evaluate potential cost savings

There are basically three methods of residential waste collection, these being, manual, semi-automated, and fully automated. The City's current method of residential waste collection is manual collection. There are two staff per waste collection vehicle and one staff per recycling/green bin collection vehicle to load waste materials into the vehicles.

Semi-automated collection involves using existing collection vehicles modified to tip carts for garbage and recyclables. Using this method an employee would roll the cart to the truck, affix it to the cart tipper, and empty the cart. This would still require two staff per vehicle.

Fully automated systems involve a single operator, driving a specialized vehicle allowing the operator to empty the cart into the collection vehicle without having to leave the cab of the vehicle.

Cart-based collection systems have been recently implemented here in Ontario. The City of Toronto implemented a cart-based system for garbage and recyclables in November 2008. Toronto uses a combination of automated and semi-automated collection methods due to the physical characteristics of the city, and the issues created by on-street parking. Other municipalities that have implemented a cart-based system include:

- City of Guelph (3 year phased approach for waste, blue box and green bin)
- City of Hamilton (collection of source separated organics only)
- City of Ottawa (collection of source separated organics only)
- City of Kingston (collection of source separated organics only)

In order to determine the financial impacts associated with changing Vaughan's method of collection from the current "manual" method to a cart-based automated or semi-automated collection service, a consultant with extensive knowledge in residential waste collection is required.

Similarly, knowledge of the waste industry, alternative service delivery models, and cost analysis is required to review the remaining components previously identified, such as public space waste collection.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 19, 2013

Item 11, CW Report No. 9 – Page 5

Given the extensive work required to review and assess the various activities performed, and explore opportunities for cost savings or alternate service delivery models, a consultant with waste collection knowledge will be required to perform these detailed cost analysis.

The impact of providing waste collection to private residential condominiums was the subject of a separate report

Council, at its meeting of February 21 (Item 1, Report 4), also approved that the Operational Review on solid waste look at the impact of providing municipal waste collection services to those residential condominiums that currently do not receive municipal collection services, as part of the 2013 budget process. That report was completed and received by Council on November 20, 2012.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council. Further, the Solid Waste operational review links to the Vaughan Vision 20/20 theme “Demonstrate Excellence in Service Delivery” by ensuring that current service delivery standards are efficient and effective. As well, there is a link with the theme “Lead & Promote Environmental Sustainability” through validating that the current solid waste business processes protect and enhance the natural environment.

Regional Implications

There are no implications on the Region’s waste disposal, transfer, or processing operations, as a result of this report.

City staff continue to work with the Region in developing its long range Integrated Waste Management Master Plan; however, the outcomes of that plan may ultimately impact the City’s collection programs.

Conclusion

The first phase of the Operational Review for Solid Waste has been completed. The second phase is underway; however, external resources are required to fully review and analyze the potential efficiencies in the various activities identified. Staff will provide a further status update on the finalized scope of the operational review later this Spring.

Attachments

1. Solid Waste Management Service Review

Report prepared by:

Brian T. Anthony, Director of Public Works, Ext 6116

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)