

Curbside Organics Processing Contract

ISSUE

At the direction of City Council, the Administration is entering into a long term contract with a processing partner for curbside organic materials from the single family residential sector starting in 2023. The preferred proponent did not choose to bid on the optional collections component of the Request for Proposal (RFP).

BACKGROUND

At its meeting on October 22, 2018, City Council directed the Administration to release a RFP for Curbside Organics Material Processing with an addendum for optional pricing for collections services. City Council also provided direction on creating a long term agreement and required that information about the City's future intentions for further expanding organics programs to the multi-family, industrial, commercial, and institutional sectors be provided in the RFP.

Based on this direction an RFP was released on January 16, 2019, and closed on August 31, 2019. The Administration then entered into negotiations with the preferred proponent, Green Prairie Environmental LTD (GPE).

GPE and the City of Saskatoon (City) are in the processes of finalizing a seven-year agreement with three, one-year options to extend for processing of the City's curbside organics.

CURRENT STATUS

The city-wide curbside organics program is scheduled to begin in the spring of 2023, with single family homes to receive bi-weekly, year-round organics collection. This program does not include the multi-family, industrial, institutional, and commercial sectors. Further reports on development of organics programs for this group will be reported on by Q2 2021.

The curbside organics program will be an increase in service from the current subscription based program, as more materials will be accepted and bi-weekly service will be provided year round. Additional curbside organics materials beyond the current program include but are not limited to the following:

- Baked goods;
- Breads, cereals and pasta;
- Dairy products;
- Salad dressings, and other condiments;
- Meats;
- Food soiled napkins;
- Waxed paper; and
- Fats and cooking oils.

DISCUSSION/ANALYSIS

The development of the city-wide curbside organics program aligns with the City's Strategic Goal of Environmental Leadership, specifically to maximize solid waste diversion in an effort to maximize the life of the landfill. The specific actions identified in the Strategic Plan, addressed by the implementation of this program, include implementing a city-wide organics program for single family residences and implementing a long-term funding program for solid waste and diversion.

The agreement with GPE includes processing of organics materials to a beneficial use product that meets the requirement of Category A compost as defined by the Canadian Council of Ministers of the Environment. The agreement includes the ownership of carbon credits by the City for the City's program. The City is responsible for bylaw enforcement and delivery of the material to the processing site (i.e. collections). GPE and the City will work together to develop public communications and education related to the program.

FINANCIAL IMPLICATIONS

At its meeting on March 25, 2019, City Council directed the Administration to phase in the costs of waste and curbside organics with property tax increases. During the 2020/2021 budget deliberations in November 2019, City Council approved a 0.87% dedicated property tax increase each year over four years (2020-2023). The cost of the processing contract is estimated at \$12.7 million over seven years, or \$1.81 million per year. This cost does not include the City's cost to deliver material to the processing site (i.e. collections) and is based on estimates of tonnage. The original estimate for processing was \$2.2 million per year (in 2023 dollars) meaning this contract is 18% lower than budget estimates.

OTHER IMPLICATIONS

The curbside organics program is estimated to divert 23,000 tonnes of material annually from the Saskatoon Regional Waste Management Centre once the program is running; this is inclusive of estimates from current green cart subscribers. The new program will reduce the tonnage of material delivered to the City's compost depots, which are currently operating at capacity. The last year of the subscription green cart program is 2022.

NEXT STEPS

As the GPE did not bid on the optional collections component of the RFP, the Administration will develop options for delivery of this service and report back to City Council in the first quarter of 2021.

Report Approval

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