



Comparison of Options

The image below provides a summary of the comparison on the 3 options.

Table 1 – Curbside Organics Collections Options

<p>Curbside Organics Collection Options</p>	<p>Option 1: IN-SOURCE In-source city-wide collection of organic waste.</p>	<p>Option 2: OUT-SOURCE Out-source city-wide organic waste collection to a third party for a fixed term.</p>	<p>Option 3: HYBRID In-source organic waste collection for a portion of the City and out-source the balance to a third party for a fixed term.</p>
<p>Cost Average cost per household per month over the decision horizon period.</p>			
<p>Cost Stability Rate of change in cost over the decision horizon period. This measure estimates risks of future cost inflation after the decision horizon period.</p>			
<p>Life Cycle Cost Summation of costs for the decision horizon period.</p>			
<p>Span of Control City Council's ability to make decision and influence change related to customer service and service levels.</p>			
<p>Labour Relations Impact of decision on current workforce.</p>			

 = more favourable  = less favourable

The program costs outlined in Table 2 below have been developed using several internal data sources and industry research. These estimates assume year-round, bi-weekly organics collection service, intended for 75,000 curbside residences. The figures in Table 2 represent the lower and upper bound cost estimates.

There are costs associated with all options including program management, container replacement, environmental protection officers for bylaw enforcement, and organics processing costs. These costs have not been included for comparison as they will be incurred for all of the curbside collection options as these positions are a part of the overall management of the organics program.

Table 2. Estimated Curbside Organics Program Cost

	Option 1	Option 2	Option 3
City Organics Collection	\$3.0M - \$3.3M	-	\$1.5M - \$1.65M
Third Party Organics Collection	-	\$3.0M - \$4.5M	\$2.7M - \$4.0M
Total Cost	\$3.0M - \$3.3M	\$3.0M - \$4.5M	\$4.2M - \$5.65M

In Option 1, the City organics collection cost was based upon the expected labour, overhead, fuel, vehicles and equipment costs for the curbside program, exclusive of organics program management and processing costs. While not included in this number, Option 1 provides opportunities for savings in the waste program due to coordination of the two programs.

In Option 2, the third-party collection cost represents the price per month per household (\$/hhld/month) for the service provider to collect organics from the residents, inclusive of equipment and operation support cost throughout the contract duration. The monthly cost estimate for one household is between \$3.45 to \$5.00 (\$/hhld/month).

In Option 3, it is assumed that the collection routes will be split equally between the third-party contractor and City organic collection. The reduced areas for collections impacts any savings due to economics of scale for this option for either party, therefore the cost estimate for one household is between \$6 to \$9 (\$/hhld/month). The City's portion of the organics collection cost is estimated to be approximately half of the cost of Option 1.