

Curbside Organics Processing Contract Update

ISSUE

The City of Saskatoon (City) launched the Curbside Organics Program in May 2023. In 2020, Green Prairie Environmental Ltd. (GPE) was awarded a contract to process organics materials and were solely responsible to obtain all permits, approvals, and complete construction of the processing facility. GPE however, has not fulfilled the obligations under the organics processing contract (the Contract).

BACKGROUND

In 2018, City Council approved the Curbside Organics Program (Program). In 2019, the Administration issued a request for proposal (RFP) for a third party to process curbside organics materials. In an effort to obtain the best value for residents, the RFP did not require that the proponent have an existing facility, rather, the third party was required to ensure that a processing facility was available prior to the launch of the Program. All permitting and construction activities for the facility were the sole responsibility of the third party.

In September 2020, GPE was awarded the Contract for curbside organics processing. GPE had the highest scoring proposal during the RFP process. Their proposal offered favourable pricing and complied with other components of the RFP. In the Contract, GPE committed to construct a facility at their landfill in the RM of Corman Park. The facility was to be operational by January 1, 2023, as a requirement of the Contract; however, GPE did not obtain the proper permits from the Ministry of Environment and the RM of Corman Park. The City granted contractual timeline extensions to GPE in an effort to enable them to get the required approvals. GPE continued its attempts to obtain permits and prepare for the May 1, 2023, Program start date, but were ultimately unsuccessful and continue to be unable to process organics in accordance with the Contract. As a result, GPE is in default of the Contract, and the financial consequences resulting from GPE's default rest with GPE.

The City avoided disruption to the Program by entering into a short-term contract with Loraas Disposal North (Loraas), the only provider in the Saskatoon region.

CURRENT STATUS

After GPE was unsuccessful in obtaining the permits it was solely responsible for obtaining at its proposed facility in the RM of Corman Park, the Administration supported GPE to find an alternate location for an organics processing facility. As preparation for a new site progressed, GPE was once again unsuccessful in obtaining regulatory approval to construct the facility. GPE has been unable to remedy its default of the Contract and the City is pursuing alternate options to prevent disruption of the Program.

Since the Program's onset, organics materials have been composted by Loraas and not landfilled unless contaminated. The City will continue to divert organics away from the

landfill to make a beneficial use product and reduce greenhouse gases from waste, as intended by the Program.

DISCUSSION/ANALYSIS

As a result of GPE's default, the City has developed a short-term plan to ensure that organics materials are successfully processed. In addition to continuing to haul organics materials to Loraas for processing, the Administration is pursuing options to temporarily process a portion of the materials at the Saskatoon Regional Waste Management Center and West Compost Depot. Both locations would require approvals from the Ministry of Environment. Reducing the tonnage of organic materials to Loraas will assist in reducing the financial pressures on the utility rates in the short term. No disruptions to the curbside program are expected as a result of GPE's default.

Two long term options are being considered by the Administration for organics material processing. One option is to build a facility on City-owned land, which could be operated either by the City or through a third-party. A second option is to undertake public procurement for a third party to deliver the complete organics processing service. Further reporting will detail both options.

FINANCIAL IMPLICATIONS

As mentioned above, the financial consequences of GPE's failure to perform its obligations rest with GPE and the City will be seeking recompense from GPE.

OTHER IMPLICATIONS

Since May 1, 2023, Loraas has processed over 13,000 tonnes of organic materials from the Program. The Solid Waste Reduction and Diversion Plan projected once the program was fully operational the annual diversion would be between 15,000 and 22,000 tonnes per year. This would result in an increase to Saskatoon's diversion rate by between 8% and 12%, and greenhouse gas emission reductions between 12,000 - 17,000 tonnes CO₂e per year. The Program is on-track to fall within the range projected by the Solid Waste Reduction and Diversion Plan in 2023, despite the program beginning 4 months into the year.

The City's Spring Residential Waste and Recycling Survey found:

- 70% of curbside households set out their green carts every collection and another 21% set out their carts every second collection;
- 85% of curbside households were very or somewhat satisfied with the overall quality of the green cart service; and
- The program features with the highest satisfaction were capacity of the cart (86%), being informed on what can and cannot be put in (80%), and frequency of collection (79%).

The survey is statistically representative of Saskatoon residents and data was collected between July 4th and 31st, 2023.

NEXT STEPS

A report seeking direction on a long-term option will be brought to the Standing Policy Committee on Environment, Utilities and Corporate Services by Q1 2024, and ultimately for City Council's approval.

Further reporting outlining the outcomes of the first year of the Program will be brought forward in Q2 2024.

Report Approval

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