
Curbside Residential Recycling Services for 2020 and Beyond

Recommendation

That the report of the A/General Manager, Utilities and Environment Department dated February 11, 2019, be forwarded to City Council for information.

Topic and Purpose

The purpose of this report is to provide an overview of the process and considerations for procuring single-family curbside residential recycling collection and processing services.

Report Highlights

1. The Single-Family Residential Curbside Recycling Agreement with Loraas Disposal Services Ltd. (Loraas) expires on December 31, 2019.
2. A Request for Proposal (RFP) and a new contract will be completed in 2019 to ensure that a curbside recycling service is in place for January 1, 2020.
3. Collection and processing will be combined into one RFP that will form a future service agreement.
4. The service level is for year-round, bi-weekly collection.
5. Proposals will include processing cost pricing for different acceptable materials to allow for removal of items in order to maintain affordability.
6. The RFP is planned for release by the second quarter of 2019.
7. Materials collected through the 2017 Curbside Recycling Program resulted in emissions reductions of 31,000 tonnes CO₂e.

Strategic Goals

The information in this report supports the four-year priorities to promote and facilitate city-wide composting and recycling, along with the long-term strategy to eliminate the need for a new landfill under the Strategic Goal of Environmental Leadership.

Background

City Council, at its meeting held on May 14, 2012, received the Contract Award – Residential Curbside Recycling report and awarded the contract for Single-Family Residential Curbside Recycling to Loraas.

City Council, at its meeting held on February 26, 2018, received the Update on Recycling Markets-Plastic Film report and resolved:

“That plastic film be removed as an acceptable item in City of Saskatoon recycling programs starting in April 2018.”

City Council, at its meeting held on September 24, 2018, received the Update on Curbside Recycling Program report and resolved:

“That the City of Saskatoon enter into a pilot program partnership with SARCAN Recycling to expand glass recycling to the four SARCAN Depot locations in Saskatoon.”

Report

The City of Saskatoon (City) and Loraas are entering the last year of a seven-year contract to provide city-wide curbside recycling (collections and processing) to residents. This contract ends on December 31, 2019. During 2019, an RFP and a new contract will be completed to ensure that curbside recycling service is in place for January 1, 2020.

Combine Processing and Collection

Collection and processing will be combined into one RFP that requests service pricing for each component. This will help manage the risk of uncertainty with recycling markets by providing collection service as a stable pricing component. During the previous procurement process, two RFPs were issued. One RFP addressed material collection while the other dealt with processing and marketing. A combined collection and processing contract was eventually agreed to as the service delivery model. Benefits from a combined approach include efficiencies in price and process.

Service Levels

The service level expectation within the RFP will be for year-round, bi-weekly collection. Enhancements such as additional cart sizes and additional collections at Christmas, will be considered.

Market Conditions and Contract Term

Significant price increases are not anticipated for collections, as the service requirements will stay consistent. Some fluctuation linked to the cost of fuel and inflation may occur, and will result in gradual annual increases, similar to the existing contract. As previously reported, lower value commodities and higher processing costs are likely in 2019 and 2020 and these are summarized in Attachment 1, Update on Recycling Markets – December 2018.

The RFP will be structured with a base contract term and include an option(s) for an extension. It is anticipated that recycling markets should begin to settle somewhat in 2019 and see some stability by 2020 or 2021. The industry is hopeful that local markets will strengthen in the coming years and expand market opportunities for recycling commodities, particularly for paper and cardboard.

Acceptable Item Review

The RFP will request processing costs for different acceptable materials. This request allows the City to consider removal of items in order to maintain affordability, which would be a City Council decision. Examples of low value and high processing cost materials include: glass, black plastic, and other low-value plastics. Plastic film is not currently accepted in the program and will likely be excluded from a future program.

Compared to the initial RFP in 2011, program data from the previous six years will assist staff to better estimate expected tonnages, material stream composition and the contamination rate.

Timeline

The RFP is planned for release by the second quarter of 2019. Should there be a change in service provider, the timeline must provide adequate time to prepare for service delivery in early 2020.

Public and/or Stakeholder Involvement

Results from the Curbside Redesign engagement and the Waste and Recycling survey indicated that residents are generally satisfied with the recycling program. Residents advised that they were concerned when plastic film was removed from the program and some residents stated they were concerned that glass would be removed next.

Communication Plan

Any changes to the recycling program would require extensive public communication.

Financial Implications

The funding model and utility rate structure for curbside recycling will be reviewed based on the proposal responses and the final contract price.

The RFP will use an affordability ceiling to scope the service contract based on existing contract prices and anticipated increases in processing. The ceiling will be set high enough so that minimum service levels are not impacted. Instead, the ceiling will help to inform decisions about continued acceptance of low-value items, service level enhancements, service costs and funding for a successful program delivery.

Environmental Implications

Materials collected through the 2017 Curbside Recycling Program resulted in emissions reductions of 31,000 tonnes CO₂e (carbon dioxide equivalents), compared to landfilling these same materials.

Other Considerations/Implications

There are no policy, Privacy, or CPTED implications or considerations.

Due Date for Follow-up

A new contract must be in place prior to January 1, 2020, when the existing agreement expires. A report with any recommendations for program changes, or an update on the award, is expected in the third quarter of 2019.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

1. Update on Recycling Markets – December 2018

Report Approval

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