



**ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE
SPECIAL MEETING**

**WEDNESDAY, JUNE 13, 2012 - 4:30 P.M.
CVRD Boardroom, 175 Ingram Street**

AGENDA

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The next meeting of the Engineering & Environmental Services Committee will be held June 27, 2012.

Distribution:

Director Iannidinardo, Chair
Director Dorey, Vice-Chair
Director Duncan
Director Fraser
Director Giles
Director Lefebure

Director Marcotte
Director McGonigle
Director Morrison
Director Walker
Director Weaver

As Well As:

Director Hutchins, Chair, CVRD
Warren Jones, CAO
Brian Dennison, General Manager, Engineering & Environmental Services
Bob McDonald, Manager, Recycling & Waste Management
Dave Leitch, ASCT., Manager, Water Management
Kate Miller, Manager, Regional Environmental Policy
Mark Kueber, Manager, Corporate Services

Agenda Cover Only:

Directors Hartmann, Kent, Lines ,
Tom Anderson, General Manager, Planning & Development
Norm Olive, Capital Project Manager, E&E



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STAFF REPORT

**ENGINEERING & ENVIRONMENTAL SERVICES COMMITTEE
SPECIAL MEETING
OF JUNE 13, 2012**

DATE: June 4, 2012 **FILE NO:** 5360-30-EAs
FROM: Jason Adair, Superintendent, Solid Waste Operations
SUBJECT: In-House Curbside Collection Program – Loan Authorization Bylaw
AAP Process & Educational Component

Recommendation/Action:

That it be recommended to the Board that:

- 1. CVRD Bylaw No. 3607 – In-House Curbside Collection Service Loan Authorization (Trucks and Totes) Bylaw, 2012, to purchase of three fully automated curbside collection trucks and 17,500 wheeled totes for an amount not to exceed \$1,775,000, to be paid back over 15 years, be forwarded to the Board for consideration of three readings, and, following provincial and voter approval, adoption.**
- 2. Electoral approval be obtained over the entire service area through an alternate approval process for the adoption of Loan Authorization Bylaw No. 3607.**

Relation to the Corporate Strategic Plan:

Provides a reliable essential service.

Financial Impact: *(Reviewed by Finance Division: SEN)*

Capital costs of \$1,775,000 incurred for the purchase of three automated curbside trucks and 17,500 wheeled totes will be funded through borrowing from the Municipal Finance Authority over a 15 year period commencing in November 2012. The service area encompasses all nine Electoral Areas, with no anticipated changes to service or fees.

Background:

On April 11, 2012, the CVRD Board approved switching from a curbside contractor delivery service model to an in-house curbside collection model at the current levels of service, commencing June 1, 2013. The CVRD Board also approved that a Loan Authorization Bylaw be prepared to fund the purchase of three fully automated curbside collection trucks for a cost of \$900,000, and 17,500 wheeled totes for a cost of \$875,000 (\$1,775,000 total).

At the May 23, 2012 Engineering & Environmental Services Committee meeting questions were raised regarding current and future curbside service levels, the associated costs, and the need for additional public awareness regarding the proposed Alternate Approval Process (AAP).

A brief recap of the reasons for pursuing an in-house service are worth noting before addressing service levels or the AAP awareness program:

- 1. Extreme contractor cost increases** – these have been from 30-50% on more than one occasion in various electoral areas due to the lack of a competitive marketplace;

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2. **Poor contractor residential service** – this situation has occurred repeatedly for years for various reasons, especially during bad weather events, and more recently with a 'work-to-rule' approach for collection can weight limits, again resulting in numerous complaints over several months.
3. **Inflexible contracted service provision** – there is no viable means to provide subscription curbside service to the smaller institutional, commercial, and multi-family sectors that wish to recycle (e.g. schools, daycares, stores, offices, restaurants, townhouses, etc.) through a contracted service provider. These have long been underserved sectors often with no room for front-end dumpsters, and have faced high costs for 'specialized' tote service, whereas CVRD trucks would be going through all such areas as part of a 'regular' route.
4. **Inflexible future contracted service level changes** – once a contracted service level is established, it is very costly to amend (e.g. doing a pilot or adding a service during a contract term). The CVRD has little choice but to accept whatever price is offered by a contractor for a service change during the term of the contract. The CVRD in-house service has built-in growth capacity, i.e. we need 2.5 trucks to service the routes, so purchasing 3 trucks allows for minor expansion/flexibility, but only if it is required.
5. **Increased customer participation with totes** – it has been proven that shifting to an automated tote system has increased customer participation and waste diversion. A program change of this nature often results in a 30% increase in materials diverted – a substantial and consistent change of behavior.

All of the above reasons support an in-house automated tote system as the most efficient means of moving towards Zero Waste over the long-term.

Clarification over what curbside service is currently being provided, what is being proposed, and what is planned for the future is needed. Current curbside service is different depending on the electoral area and time of year – that will not change, as no changes are being proposed. Staff have raised the option of curbside organics collection, and even the possibility of curbside garbage collection for those without (either by voluntary subscription, or electoral area wide), but nothing new is being proposed or committed to by switching to an in-house collection model – now or in the future.

Aside from being able to offer the smaller institutional, commercial and multi-family sectors an option for additional (curbside tote) service should they request it on an individual basis, it would be up to individual Electoral Area Directors to indicate their preference for any change to existing curbside service levels. That choice has been respected by the Board since the program was established in 1999. If any wholesale change was requested (e.g. more than one or two electoral areas expanding service), more equipment would be required, as would another AAP.

To support the need for more public awareness and access to information on the AAP, staff will prepare Phase I of a communications plan that will have newspaper advertisements, as well as one to two factsheets for residents, which will address anticipated questions about the need to borrow, switching from a contractor based service to an in-house service, tote based automated collection, the commercial subscription service available, and the improved curbside service itself.

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AAP Awareness materials will also assure residents that the current service levels offered in the Electoral Areas will not be changing, that user fees will be very similar if not less, and how to get further information if requested. The factsheet(s) will also include photos of the carts and the trucks that are currently in use throughout BC, as well as references. The factsheet(s) will be easily available at CVRD outlets and through our CVRD main webpage. There will also be attention given to ensuring there is no confusion with changes to the District of North Cowichan or other municipal program changes currently being promoted.

If the AAP is successful, staff will be launching Phase II of the Communications Plan in 2013, which will involve media releases, electoral area open houses, advertising, an informational mail-out and the development of a comprehensive automated curbside collection website that will have an instructional video for residents. These efforts will be timed to be most effective in advance of the program launch on June 1, 2013. Many jurisdictions in BC have launched automated collection programs, providing ample material upon which to develop a comprehensive educational program for residents.

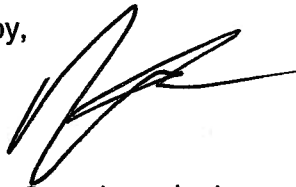
Discussion:

At the last Engineering & Environmental Services Committee meeting there seemed to be a certain degree of apprehension regarding the future of this program and the motivation with advancing an in-house automated service.

With this program in particular, the intent is to present an option to solve what is seen as existing problems, and advance waste diversion. These problems of tendering in an uncompetitive marketplace, dealing with years of poor service and customer complaints, not being able to answer service requests from the commercial sector or allow for any future growth/flexibility have already been highlighted – as has the potential for further curbside participation and diversion and customer satisfaction using automated totes.

Nevertheless, it should be noted that the other option to this course of action is simply to enter into another multi-year contract for contracted curbside service as contract costs for one year might be quite expensive. If this provides a greater degree of certainty and less apprehension as to the future, it is very possible to pursue. In fact, we understand the contractor plans to present an option for continued service at an upcoming Committee meeting. Clear direction, however, is needed now as the window to pursue an in-house program (order trucks after an AAP in time for June 2013) is quickly closing. If a contracted program is preferred, it can easily be pursued over the coming months.


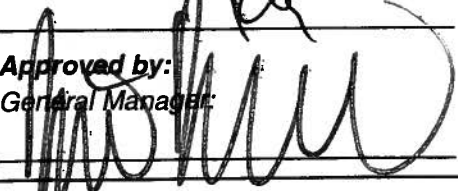
Submitted by,



Jason Adair, Superintendent
Solid Waste Operations

BMc/JA:jlb

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Reviewed by:	
Division Manager:	
Approved by:	
General Manager:	