



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** June 24, 2013
From: Tom Stewart, AScT. **File:** 10-6370-10-05/2013-
Director, Public Works Operations Vol 01
Re: **Options for Food Scraps and Organics Collection Services for Multi-Family Dwellings and Commercial Businesses**

Staff Recommendation

1. That a pilot program for food scraps and organics collection services for multi-family dwellings and commercial businesses, as outlined in Option 1 of the staff report dated June 24, 2013 from the Director – Public Works Operations, be approved.
2. That the Chief Administrative Officer and General Manager, Engineering & Public Works be authorized to negotiate and execute an amendment to Contract T.2988, Residential Solid Waste & Recycling Collection Services, to service, acquire, store, assemble, label, deliver, replace and undertake related tasks for the carts, kitchen containers and related items associated with this temporary pilot program.
3. That an amendment to the City’s Five Year Financial Plan (2013-2017) to include capital costs of \$200,000 and operating costs of \$120,000 for undertaking a pilot program for food scraps and organics collection services for Multi-Family Dwellings and Commercial Businesses, with funding from the City’s general solid waste and recycling provision, be brought forward for Council consideration.

Tom Stewart, AScT.
Director, Public Works Operations
(604-233-3301)

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Finance Division	<input checked="" type="checkbox"/>		
REVIEWED BY DIRECTORS	INITIALS:	REVIEWED BY CAO	INITIALS:
	DW		

Staff Report

Origin

At their September 24, 2012 meeting, Council approved new and enhanced levels of service for residential food scraps and organics recycling collection services via the 'Green Cart' program – which commenced June 1, 2013. This service is geared to single-family and ground level townhome dwellings, but does not include multi-level multi-family or apartment-style dwellings. As such, Council requested that staff review and report on potential options for food scraps and organics collection services for residents in multi-family dwellings and commercial businesses. This report responds to Council's request.

Analysis

Background

The June 1, 2013 launch of the new 'Green Cart' program expanded food scraps/organics collection service to over 11,000 townhome dwellings. When combined with existing service to single-family dwellings, food scraps/organics recycling collection service is now available to approximately 60% of total residential dwellings in Richmond, or over 40,000 units. The next logical progression is to expand food scraps and organics recycling collection to residents in multi-level multi-family dwellings in order to make this service available to 100% of residents in Richmond. This is an important next step to ensure all residents in Richmond have access to food scraps/organics recycling services by 2015, when a ban on all compostable organics is contemplated in the Metro Vancouver Integrated Solid Waste and Resource Management Plan.

Service to multi-family developments is challenging for a number of reasons including: space limitations for recycling containers; lack of quality control regarding materials being placed in communal containers (since it cannot be determined which resident placed non-acceptable materials in them) – this also complicates the ability for targeted education; and reduced ability to motivate residents through limitations on garbage disposal since dumpster-style containers are traditionally used for garbage. Many commercial businesses have similar challenges and may not be familiar with pending disposal bans on compostable organics. To help expand food scraps/organics recycling to these sectors in a manner which addresses key challenges and adequately prepares residents and businesses for the upcoming disposal ban in 2015, this report explores options which could be pursued by the City.

Options

Three options are presented in detail for Council's consideration as follows.

Option 1: Pilot Program (Recommended)

A program modelled somewhat after the "Green Cart" program could be undertaken at approximately 100 sites/buildings (comprising approximately 5,000 units) and including a variety of multi-family, and mixed use developments. Several smaller-style commercial strip malls (four to six) could also be incorporated into the pilot, at the option of the business and/or property manager. The pilot would be based on communally situated carts of a size suitable to

the unique requirements of each complex. Individual in-suite collection containers (i.e. 'kitchen containers') would be provided for convenient, temporary storage of scraps which can then be emptied into the communal carts. A variety of approaches could be tested at various sites including:

- carts lined with City-provided, approved compostable plastic liner bags vs. unlined carts where cart cleaning services may be provided;
- scraps wrapped in paper-only based materials vs. encouraging residents to collect scraps in any style plastic bag which the resident would then empty into the communal cart/s -- a convenient disposal receptacle would be provided to discard the emptied plastic bags into;
- an option for building managers to temporarily remove their garbage dumpster/s and instead use city-provided garbage carts (serviced by the City) to address space challenges, evaluate garbage disposal cost reduction opportunities, and provide additional incentives to residents to reduce garbage (i.e. reduced capacity for garbage disposal and increased capacity for food scraps/organics recycling);
- varied approaches to education such as door-to-door only vs. lobby information sessions coupled with individual building/site recycling champions.

The approach under this option would be somewhat fluid in order to work with individual building representatives/strata councils to customize the program as much as possible to promote participation and gain valuable information from which to model a full-scale program. Issues such as contamination levels, logistical issues, quantity and type of materials collected, estimated diversion and resident feedback would be measured.

Staff propose that the program be implemented in a transitional manner commencing in the fall, 2013 and run through the end of 2014 as the trial period. Collection services could be provided under an agreement with the City's existing recycling and waste collection service provider, Sierra Waste Services. The key terms of the agreement are outlined in Attachment 1. A progress report could be provided after approximately six months as part of starting to formulate recommendations for a permanent, full-scale program.

The estimated cost of this option is \$200,000 for capital start up costs, plus monthly operating costs ranging from \$25,000 to \$40,000, depending on quantities of materials collected. Operating costs in 2013 would not exceed \$120,000, based on a projected October, 2013 implementation. Total costs in 2014 (based on full year costs) would range from approximately \$330,000 to \$450,000, depending on whether the multi-family dwellings elect to use City service for garbage collection in addition to organics. Should this option be approved, staff recommend that the cost of the program be funded from the sanitation and recycling provision. Due to the nature of the program being a pilot, service is typically provided at no cost to residents for the duration of the program since it is designed to gather information and data to assist the City in formulating future program design options. Any commercial business participants would be assessed servicing fees on a cost-recovery basis.

Option 2: Issue Request for Proposals for a Full-Scale Program

Under this option, a request for proposals would be issued to the market place to design, develop, implement, manage and monitor/evaluate performance of a food scraps/organics collection program for all multi-level multi-family dwellings -- including the option for commercial businesses to opt into the program on a cost-recovery basis. This would allow the City to test the marketplace and gather a variety of proposed approaches from which to implement a program.

The benefits of this option are that it will result in full-scale implementation at commencement of the contract, i.e. likely late Spring, 2014. The disadvantages are that it does not provide the option for the City to test different collection models and approaches nor seek public consultation on program design parameters prior to implementing the service on a permanent basis. For these reasons, this Option is not recommended.

Option 3: Mandate Food Scraps/Organics Recycling Only

With this option, the City mandates recycling of food scraps/organics but has no involvement in developing the program or providing service to residents in multi-level multi-family dwellings or commercial businesses. This leaves the program and service level design entirely at the discretion of each individual complex where they would contract privately/make their own servicing arrangements independent of the City. The City's role would become one of education and enforcement only.

This option is not considered to deliver best value to residents due to the 'piecemeal' nature of the individual servicing approaches. It does not provide City support to residents and may be perceived as a service inequity since these services are provided by the City to residents in single-family homes and townhomes. The City would also not be able to gather participation and diversion data under this option in order to measure progress toward our goals. For these reasons, this option is not recommended.

Next Steps

Should Council approve the recommended Option 1 – Pilot Program, next steps would include:

1. Enter into an amendment agreement under T.2988 to provide food scraps/organics recycling collection service for the duration of the pilot with the City's existing service provider, Sierra Waste Services.
2. Finalize the pilot scope including complexes and commercial businesses to be included, including engagement of building/property managers.
3. Engage contract and other resources to finalize program design, scope and outreach materials.
4. Commence program launch in the Fall (estimated October, 2013).

Financial Impact

The capital/start-up cost of the proposed pilot program is \$200,000, which is comprised of \$109,800 in contractual costs plus \$90,200 for external consultant support and development and

delivery of communications outreach materials. Should Council approve this program, costs for a full year of operations (in 2014) would range between \$330,000 - \$450,000, depending on the quantities of materials collected. This includes annual contractual operating costs of approximately \$200,000, plus other costs ranging between \$130,000-\$250,000 for processing and disposal costs (volume dependent), program administration and education. For 2013 the annual pro-rated operating costs are \$120,000.

It is proposed to fund the cost of the program from the general solid waste and recycling provision. Service to commercial sites would be on a cost-recovery basis. The service would be provided at no cost to multi-family dwelling owners/residents during the pilot phase. Staff note that a key purpose of the pilot is to help assess overall potential gains or cost offsets for multi-family dwellings in their overall waste management costs, i.e. potential savings in garbage disposal costs.

Conclusion

Food scraps and organics collection services is currently being provided to all single-family and ground level townhome dwellings representing 60% of all residential dwellings in Richmond. Residents in multi-level multi-family dwellings currently do not have organics recycling services provided by the City.

As part of advancing toward 70% waste diversion by 2015, the Metro Vancouver region is intending to ban all compostable organics from disposal in 2015. To help all residents and commercial businesses prepare for the upcoming disposal ban, this report proposes a pilot program to test approaches and strategies for food scraps/organics collection commencing Fall, 2013. Information from this program will be key to developing a successful model for a potential full scale program implementation.



Suzanne Bycraft
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SJB:

Attachment 1

Key Agreement Terms for Multi-Family/Commercial Food Scraps Recycling Pilot Project

Item	Key Agreement Terms	Unit Cost	Estimated Units	Estimated Cost	Estimated Total
1.	Project start up and customer service support to assist with final scope definition and program implementation tasks, including the following items:				
a)	Acquisition of collection carts, kitchen containers, disposal containers and cart liners as directed by the City <ul style="list-style-type: none"> o 80 litre o 120 litre o 240 litre o 360 litre o Liners o Disposal containers o Kitchen containers 	<ul style="list-style-type: none"> o Range from \$40-\$80/cart o At Cost o At Cost o \$6.00/container 	<ul style="list-style-type: none"> o 600 o Allowance o Allowance o 5,000 	<ul style="list-style-type: none"> o \$35,000.00 o \$ 7,500.00 o \$ 7,500.00 o \$30,000.00 	\$ 80,000.00
	Total (exclusive of taxes)				
b)	i) Assembly and delivery of carts kitchen containers to central site location	i) \$8.00/each	i) 600	i) \$ 4,800.00	
	ii) Delivery of kitchen containers in suite	ii) At Cost	ii) Allowance	ii) \$25,000.00	
	Total				
	\$ 29,800.00				
	TOTAL AGREEMENT RELATED START UP COSTS (exclusive of applicable taxes)				
	\$109,800.00				
2.	Collection of organic waste and garbage from approximately 5,000 multi-family units and 4-6 commercial complexes as follows:				
a)	Provision of equipment and staffing for collection of materials, transportation of materials to designated recycling/disposal facility	\$13,000.00/month	15 months	\$195,000.00	
b)	Program adjustments (scope modifications)	At cost	At cost	\$ 15,000.00	
c)	Statistics tracking and reporting	Included	N/A		
d)	Cart cleaning services	At cost	Allowance	\$ 28,000.00	
e)	Route management and scheduling	Included	N/A		
f)	Provide and replace bag liners and dispose of empty bag receptacles, where required	At cost	Allowance	\$ 7,500.00	
	TOTAL AGREEMENT RELATED OPERATING COSTS (exclusive of applicable taxes)				
	\$245,500.00				
3.	General agreement terms:				
a)	Term of 15 months, from October 1, 2013 – December 31, 2014				
b)	Option for the City to extend the term on a month-to-month basis until such time as the City terminates the pilot				
c)	Option for the City to terminate the pilot with 30 days prior written notice				
d)	Otherwise comply with all other terms and conditions of Contract T.2988, as amended				