

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: PROCESSING OF GREEN WASTE COMPOSTABLE MATERIALS

RECOMMENDATION:

1. THAT Council approve a contract award to GFL Environmental Inc. for an estimated total cost of \$16,071,562.50, including GST in the amount of \$765,312.50, as outlined in this report. Final payment will be based on actual quantities of green waste compostable materials transported, processed and marketed for the five-year term of the contract and subject to verification of compliance with all environmental standards.

REPORT

The Financial Management Committee, at its meeting held on 2019 September 19, received and adopted the attached report seeking Council authorization to enter into a contract with Green For Life Environmental Inc. (GFL) for the processing of green waste compostable materials.

Respectfully submitted,

Mayor M. Hurley
Chair

Councillor S. Dhaliwal
Vice Chair

Copied to:	City Manager Director Engineering Director Finance Director Corporate Services Director Parks, Recreation and Cultural Services Purchasing Manager
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TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2019 September 10

FROM: DIRECTOR ENGINEERING
DIRECTOR FINANCE

FILE: 36600-03

SUBJECT: PROCESSING OF GREEN WASTE COMPOSTABLE MATERIALS

PURPOSE: To seek authorization from Council to enter into a contract with Green For Life Environmental Inc. (GFL) for the processing of green waste compostable materials.

RECOMMENDATION:

1. **THAT** the Finance Management Committee recommend that Council approve a contract award to GFL Environmental Inc. for an estimated total cost of \$16,071,562.50, including GST in the amount of \$765,312.50, as outlined in this report. Final payment will be based on actual quantities of green waste compostable materials transported, processed and marketed for the five year term of the contract and subject to verification of compliance with all environmental standards.

REPORT

1.0 INTRODUCTION

The City consolidates green waste at the Burnaby Eco-centre through residential and commercial curbside collection and through direct drop-off. Once consolidated, a vendor is responsible for loading the green waste material onto transport trucks, delivery, and processing at a designated compost facility. The processed green waste material is then mixed with sand to create desirable soil blends. The City has the option of purchasing blended soil materials at reduced rate for use in its own operations.

The City has been consolidating green waste at the Burnaby Eco-Centre since this facility opened. The current 5 year contract with Enviro-smart Organics Ltd. (now GFL) of Delta, BC is set to expire 2019 October 31. The City is now looking to enter into a new agreement with a vendor for the processing of green waste materials.

To: Financial Management Committee
From: Director Engineering
Director Finance
Re: PROCESSING OF GREEN WASTE
COMPOSTABLE MATERIALS

2019 September 11 Page 2

2.0 POLICY SECTION

Goal

- A Healthy Community
 - Healthy environment –
Enhance our environmental healthy, resilience, and sustainability
- A Dynamic Community
 - Economic opportunity -
Foster an environment that attracts new and supports existing jobs, businesses, and industries
- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

3.0 BACKGROUND

Green waste includes yard trimmings, small branches, clean wood waste and food scraps co-mingled into a single source material. The City began collecting green waste separately from solid waste materials in the mid-1990s. The goal of the green waste program is to reduce the total amount of material sent to landfill / incineration and to help meet regional diversion goals. Prior to the implementation of a green waste collection program, all of this waste was collected through the solid waste stream.

We are pleased to report that in 2018, the City diverted over 25,000 tonnes of green waste from landfill / incineration to compost. This represents the largest portion of the diversion stream at 38.5% total waste and a reduction of 2,385 tCO₂e in GHG emissions according to the City's 2018 CARIP progress survey.

Over the years, urban development in the Metro Vancouver region has resulted in new home construction encroaching nearer to these compost facilities. Odour complaints from adjacent residents have led to the development of stricter regulations governing the operation of compost facilities. These regulatory changes have forced processors to invest in new technologies to enclose the composting operation and install odour abatement systems. These enhancements have greatly increased the cost of green waste processing in the region.

The City recently issued a request for proposals under RFP #33-02/19 and received two response submissions from qualified vendors. A brief summary of the schedule of pricing is as follows:

To: Financial Management Committee
From: Director Engineering
Director Finance
Re: PROCESSING OF GREEN WASTE
COMPOSTABLE MATERIALS

2019 September 11..... Page 3

1. GFL Environmental Ltd. (formerly Enviro-smart Organics Ltd.)

Processing of Green Waste Compostable Materials <i>cost per tonne</i>			
2 Year Term	5 Year Term	10 Year Term	15 Year Term
\$128.89	\$122.45	\$116.32	\$110.51

2. Renewi Canada Ltd.

Processing of Green Waste Compostable Materials <i>cost per tonne</i>		
1 st Year	2 nd Year	Additional Years
\$132.45	\$135.10	<i>To be Negotiated</i>

Metro Vancouver also accepts green waste materials at their transfer stations and has indicated their tipping fee will be increasing to approximately \$115/tonne by the end of 2019. The City would have to pay an additional \$10/tonne for trucking to the Metro Vancouver transfer stations which amounts to a total green waste processing fee of \$125/tonne. A separate report will be provided to Council on the fee increase.

4.0 RECOMMENDATION

Two proposals for this contract were received by the closing time on 2019 July 16. The work of this contract involves the transportation, processing and marketing of green waste materials collected at the City's Eco Centre Depot for off-site processing. This contract award is for a five year term from 2019 November 01 to 2024 October 31.

The recommended company, GFL Environmental Inc., has provided similar services since 2012 November to the satisfaction of the City. City Engineering staff's review indicates GFL Environmental Inc. has sufficient equipment and resources to carry out the work required under this contract.

Funding for this contract is provided in various operating accounts within the Solid Waste and Recycling budget of the 2019 – 2023 Financial Plan.

To: *Financial Management Committee*
From: *Director Engineering*
Director Finance
Re: *PROCESSING OF GREEN WASTE*
COMPOSTABLE MATERIALS

2019 September 11..... Page 4

Staff asks that FMC forward a recommendation to Council to approve a contract award to GFL Environmental Inc. for an estimated total cost of \$16,071,562.50 including GST in the amount of \$765,312.50 for a five year term.



Leon A. Gous, P.Eng., MBA
DIRECTOR ENGINEERING



Noreen Kassam, CPA. CGA
DIRECTOR FINANCE

Copied to: City Manager
Director Corporate Services
Director Parks, Recreation and Cultural Services
Purchasing Manager