

Waste Collection Contract Term

Presented To:	Operations Committee
Meeting Date:	March 17, 2025
Type:	Managers' Reports
Prepared by:	Nataly Wissell Environmental Services
Recommended by:	General Manager of Growth and Infrastructure

Report Summary

This report provides a recommendation seeking approval to post the multi-year waste collection contract for an initial term of eight (8) years with two (2) additional one (1) year optional extensions.

Resolution

THAT the City of Greater Sudbury authorizes Staff to issue a competitive procurement for the next waste collection contract, which allows for a contract term of eight (8) years with two (2) additional one (1) year extension options as outlined in the report entitled "Waste Collection Contract Term" from the General Manager of Growth and Infrastructure, presented to the Operations Committee on March 17, 2025.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

This report refers to operation matters.

Financial Implications

There are no financial implications associated with this report.

Background

Currently, waste collection services are delivered on behalf of the City of Greater Sudbury by a combination of in-house collection crews and a contracted service provider. Garbage, leaf & yard trimmings, blue box recycling, green cart organics, and furniture, appliance and electronic collection services are provided in various capacities to low and high density residential properties, residential depots, downtown Sudbury, public spaces, special events, municipal facilities, and small non-residential establishments. This contract also provides miscellaneous waste services such as provision of containers, litter abatement, and clean-up programs and activities.

The service provider is selected through a competitive bidding process in accordance with the City's Purchasing By-Law. The Purchasing By-law limits the term of multi-year contract terms to no greater than five

(5) years when the annual acquisition cost is expected to be \$100,000 or more, unless otherwise approved by Council Resolution.

In accordance with resolution CC2018-211, the current waste collection contract has a term of seven (7) years with the option to extend the contract for an additional twelve (12) months. If extended, that term will end on Jan 29, 2028.

In an effort to benefit from the most advantageous pricing, Staff recommend posting the next waste collection contract for a term of eight (8) years with two (2) additional one (1) year extension options. A longer contract term will allow bidders to amortize their financial investments in vehicles and equipment over a longer period and fully depreciate their value over the life of the contract.

Analysis

Industry standard for the length of waste collection contracts is seven (7) to ten (10) years. This duration allows for stability and long-term planning for both the service providers and municipalities. Similarly, the usable life of waste collection vehicles is also generally between 7 and 10 years, depending on factors like maintenance, usage intensity, and technological advancements.

The current service contract includes the collection of waste utilizing various waste collection vehicles and equipment. The service provider supplies and maintains all vehicles and equipment required to operate and provide the service. A list of the current waste collection vehicles and equipment required by the service provider is shown in Appendix A. The large quantity of waste collection vehicles and equipment is very expensive, requiring a sizable financial commitment from the service provider. Affording bidders the opportunity to amortize equipment over a longer contract term is a cost-saving strategy.

Obtaining waste collection vehicles can take up to 2 years. Staff plan to have the next waste collection contract ready for tender in 2026, allowing the successful bidder enough time to acquire the necessary vehicles and equipment.

Conclusion and Next Steps

The City is committed to procuring quality cost-efficient services. Providing a longer-term service agreement is more likely to result in increased competition and cost-efficient bidding.

If approved by Council, and in anticipation of a twelve-month extension of the existing contract, staff will draft the next waste collection contract with an initial term of eight (8) years, from January 30, 2029, to January 31, 2037. The contract will also include two (2) optional one-year extensions, from February 1, 2037, to January 29, 2039.

Resources Cited

City of Greater Sudbury, City Council, Resolution CC2018-211, July 10, 2018.

Accessed on-line:

<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=30845>

Purchasing By-Law 2014-1 (Consolidated) available at:

<https://www.greatersudbury.ca/city-hall/by-laws/by-law-pdfs-en/c-by-law-2014-1/>