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**REPORT TITLE: Townhouse Waste Collection Consultation Plan and Implementation Timelines**

**FROM: Kealy Dedman, Commissioner of Public Works**

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## **RECOMMENDATION**

**That the townhouse waste collection consultation plan as described in the report of the Commissioner of Public Works, listed on the October 7, 2021 Waste Management Strategic Advisory Committee agenda, titled “Townhouse Waste Collection Consultation Plan and Implementation Timelines”, be approved;**

**And further, that staff implement Phase one of the consultation plan and provide Council written notice before the commencement of Phase two of the consultation plan, as outlined in the subject report;**

**And further, that staff align the implementation of the townhouse waste collection options with the new curbside collection contracts.**

## **REPORT HIGHLIGHTS**

- At the April 2021 Regional Council meeting, four collection options were approved to be presented to townhouse Board of Directors and/or Property Managers and residents.
- Council directed staff to report back with communications materials and to determine the feasibility of beginning the new service options (that may include the provision for smaller organic carts and/or a mix of carts and bags) ahead of the new collection and cart contracts.
- Staff have prepared a consultation plan, to be rolled out in two phases, beginning with outreach to Board of Directors and/or Property Managers to inform them about the options for waste pick up and define how the decision will be made for each complex.
- Phase two takes the information gathered in Phase one and will share it with residents, with similar information and support provided by the Region.
- To implement the new service options ahead of the new collection contracts, an amendment to the collection contracts could be negotiated but would result in a significant increase in cost and procuring a new cart vendor will take approximately between four to six months.
- Alternatively, collection and cart options could be written into the next collection contracts and cart contracts. The expected commencement date for these contracts is Extended Producer Responsibility (EPR) dependent.
- To acquire smaller organics carts, staff would have to directly negotiate with the current cart vendor or procure a new cart vendor to manufacture and deliver the carts.
- Alternatively, collection and cart options could be written into the next collection contracts and cart contracts. The commencement date for these new contracts depends

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on how the blue box transition unfolds but is expected to be between October 2024 and October 2026.

- To minimize costs and potential impacts from the transitioning the blue box program to full producer responsibility, staff recommend implementing remaining townhouse conversions with the new collection contracts.

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## **DISCUSSION**

### **1. Background**

At their April 22, 2021 meeting, Regional Council approved the following Townhouse Waste Collection Options to be presented to townhouse Board of Directors and/or Property Managers and residents (Resolution 2021-437):

- Option 1a - Cart-based garbage and recycling collection with choice of 120, 240 and 360 litre carts and cart-based organics collection with a 100 litre cart
- Option 1b - Cart-based garbage and recycling collection with choice of 120, 240 and 360 litre carts and cart-based organics collection with a smaller 46-80 litre cart
- Option 2a – Cart-based garbage collection with choice of 120, 240 and 360 litre carts, bag-based recycling collection and cart-based organics collection with a 100 litre cart
- Option 2b – Cart-based garbage collection with choice of 120, 240 and 360 litre carts bag-based recycling collection and cart-based organics collection with a smaller 46-80 litre cart

In complexes where the four options are not feasible, all units in the complex can decide to purchase and use bags for garbage and recycling and use a single (consistent) cart size for organics (100 litre cart or a smaller 46-80 litre cart).

Regional Council also approved a three-step consultation plan to inform townhouse Boards of Directors and/or Property Managers and residents of the waste collection service options and to confirm their preferred option and directed staff to report back on the consultation materials prior to distribution to townhouse residents. Additional details on the consultation plan and sample consultation materials are included in this report.

Townhouse complexes that wish to transition to the existing three-cart program can submit the request form contained in Appendix I. Staff will notify the Ward Councillor upon receipt of the request form.

### **2. Consultation Plan and Material**

A consultation plan and communication materials has been developed for residents, Board of Directors and/or Property Managers in townhouse complexes.

The consultation plan objectives are to build better relationships with residents, townhouse Boards of Directors and Property Managers, improve staff capabilities and increase quality of service and experience for residents.

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The first two phases of the consultation plan have been designed as follows:

In Phase one, staff will identify and connect with Boards of Directors and Property Managers to determine their decision-making process as established in their complex's organizing documents. Complexes all have organizing documents that describe how changes/rules/decisions are made. The organizing documents typically dictate one of the following approaches:

1. Board of Directors make decisions on behalf of residents; or
2. Residents vote and majority rules (majority can range from 50 percent plus one to two-thirds, again depending on organizing documents).

In Phase two, townhouse residents will be notified about the new options available and will be able to access all relevant information online, including the process for decision-making. Staff will provide a clear explanation that it is not the Region who make the decision on the waste service option, but the complex's Board of Directors. Residents will receive a postcard from the Region with the waste pick up options and key considerations. As residents will be directed to communicate with their Board of Directors/property management on the decision-making process, the majority of communication will come from Boards of Directors and/or property management utilizing the materials provided by the Region. Region of Peel staff will be available to support complexes with resident communications and engagement efforts by attending meetings either in person or virtually, answering any questions and providing communication material. Staff will include information on the Blue Box Program and the transition to full producer responsibility.

Staff will also inform Board of Directors and Property Managers about the service options for waste pick up and that the Region will provide support needed in this transition. Information on waste pick up options and the key considerations for each option will be provided. Clarification on timelines as well as the advantages and disadvantages of each option will also be provided.

In Phase two, townhouse residents will be notified about the new waste pick up options available and will be able to access all relevant information online, including their complex's process for decision-making. Staff will provide a clear explanation that it is not the Region of Peel who makes the decision related to the preferred waste service option, but the complex's Board of Directors, Property Managers and/or residents. As residents will be directed to communicate with their Board of Directors and/or Property Management on the decision-making process, as much of communication will come from them with support via the materials provided by the Region.

Region of Peel staff will be available to support complexes with resident communications and engagement efforts by attending meetings either in person or virtually, answering any questions and providing communication material. Staff will also provide information on the Blue Box Program and the upcoming transition to full producer responsibility.

Where the complexes organizing documents allow, residents will be encouraged to participate in the decision-making process with their Boards of Directors.

The consultation plan and sample communication pieces for Board of Directors/property management and residents are included in Appendix II.

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In Phase three, staff will assist residents with the cart selection process, should their complex select a service option with carts. Staff will work closely with Boards of Directors, Property Managers and residents during the time of cart selection and cart delivery.

During the transition to the new waste pick up option staff will monitor collection for the first few weeks to ensure that collection is running smoothly and to assist residents, if necessary.

### **3. Timelines for Implementation**

#### Amendments to Collection and Cart Contracts

Council directed staff to investigate the feasibility of implementing the new collection options that include the provision for smaller organic carts and/or a mix of carts and bags ahead of the new collection and cart contracts.

The current collection contracts allow either the Region to convert townhouse complexes to the three-cart program, including the 100 litre organics cart (Option 1a) or have the locations remain on current bi-weekly bag-based collection program. Converting complexes to Option 1a would not impact the Region's current costs or budget.

The collection options that include a mix of carts and bags and the provision for a 46-80 litre organics cart are not identified in the existing collection contracts as collection methods. Consequently, the current collection fleet is not designed to collect bags and smaller organics carts on the scale that could result from a significant number of complexes converting to these collection options. An amendment to the contracts to implement these options could be negotiated but would result in an increase in cost due to additional vehicles and operators required to collect using these methods.

The existing cart supply contract does not allow for additional cart sizes to be manufactured outside of the designated carts (120L, 240L, 360L for garbage and recycling and 100L for organics). Staff would have to seek authority to directly negotiate with the current cart vendor or procure a new cart vendor to manufacture and deliver a smaller organics cart.

Amending the current collection contracts and procuring a new cart vendor will take approximately between four to six months. When factoring in the engagement plan for the conversions, it is anticipated that the new service level options could begin in June 2023 if negotiations are successful.

Staff have requested and received pricing from the Region's current collection contractors on the cost of implementing the townhouse collection options ahead of the new collection contracts. Staff has also requested and received estimated pricing for procuring smaller green carts from the Region's current cart contractor. Based on the information received from these contractors, it is anticipated that the highest price or cost premium that the Region would incur for these contractors to deliver the revised service in 2023 would be \$5.3 million with the collection cost premium being approximately \$3.6 million annually, (depending on the number of complexes that are converted) and the cost premium to buy smaller green carts being approximately \$1.7 million (depending on cart sizes (46L and 80L) selected).

Alternatively, collection and cart options could be written into the next collection contracts and cart contracts. Implementing the options at the commencement of the new collection

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and cart contracts allows for competitive pricing as contractors will include the cost of these service options as part of their regular collection bid prices.

The existing cart contract ends at the same time as the existing collection contracts. Implementing townhouse conversions under a new cart contract at the same time as the new collection contracts will allow staff time to confirm the exact number of carts and sizes for the cart contract, which will result in competitive pricing from cart vendors. As vendors will be bidding on a Region-wide cart contract rather than just townhouse complexes, this will create economies of scale that will reduce pricing.

### **Extended Producer Responsibility (EPR)**

The new Blue Box Regulation confirms that responsibility for the Region's blue box program will transition to producers on October 1, 2024. Therefore, any changes implemented to Peel's current blue box program from now to transition, including changes to the collection system, might not be utilized, or funded by the producers under the new blue box program. In other words, if a complex chooses and implements a collection option prior to October 1, 2024, producers may change this option anytime after, at their discretion, which would likely lead to frustration and confusion for townhouse residents, Boards of Directors and Property Managers.

Due to the costs of negotiating changes to the current collection contracts and directly negotiating the cart supply contracts and given the risk of producers not supporting changes to the blue box collection system under the new producer responsibility program, staff recommends implementing the townhouse conversion options as part of the next collection contracts which will be competitively procured. The exact timing of the issuance of the next collection contracts procurement document is subject to the outcome of the discussions with the Region's current collection contractors, producers, and producer responsibility organizations but is expected to occur between October 2024 and October 2026.

Staff also recommends that Phase one of the consultation plan with Board of Directors and/or Property Managers begin in late 2021, with resident engagement commencing as early as late 2022 or early 2023 to allow the decision-making process, cart selection (where chosen) and the start of the new waste pick up option to happen within a reasonable amount of time.

## **4. Next Steps**

Subject to approval of the recommendation in this report, staff will finalize communications pieces and tool kit for the consultation plan and will begin Phase one of the consultation plan to inform the Boards of Directors and/or Property Managers of the options and to confirm the complexes' decision-making processes as soon as possible.

Phase two will be implemented once feedback has been gathered from the complexes and closer the new collection contracts, the timing of which still needs to be confirmed. Staff will update Council by e-mail prior to the start of the resident engagement phase and provide examples of communication pieces.

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### **RISK CONSIDERATIONS**

There is the risk that townhouse residents become angry when approached with service options for collection. This risk will be managed with a robust engagement plan, including clear communications that explain the options, including options of a smaller organics bin.

There is a risk that townhouse residents may not agree with the final service option resulting from a vote or that selected by the Board of Directors. This will be managed by working closely with Board of Directors to ensure residents are aware of the decision-making process within their complex. This will be clearly communicated to all parties and reinforced by Staff and Regional Council.

### **FINANCIAL IMPLICATIONS**

There are no financial impacts as the cost of implementing the consultation plan is included in the existing operating budget.

### **APPENDICES**

Appendix I - Request Form to Convert to Cart-based Collection

Appendix II - Townhouse Engagement Plan

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