

For Information

REPORT TITLE: **Curbside Waste Collection Contractors' Performance in 2021**

FROM: Kealy Dedman, Commissioner of Public Works

OBJECTIVE

To provide Regional Council with information on the curbside waste collection contractors' performance in 2021.

REPORT HIGHLIGHTS

- Emterra Environmental (Emterra) collects waste from approximately two-thirds of the Region of Peel's curbside customers and Waste Connections of Canada Inc. (Waste Connections) collects from approximately one-third.
 - In response to the COVID-19 pandemic, the Region of Peel and the collection contractors put emergency response plans and preventive measures in place to ensure that essential waste collection services continued for Peel residents.
 - In 2021, the pandemic presented significant challenges related to labour and global equipment supply issues that have, and continue to, impact the contractors' operations and performance.
 - Despite the challenges, Emterra and Waste Connections continued to put forth best efforts to provide the required level of collection service to Peel's residents.
 - Staff and the contractors continue to monitor the situation and will adjust service levels as the pandemic evolves and, while we continue to plan for possible surges, we are beginning to focus on how best to return to standard service levels.
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DISCUSSION

1. Background

Emterra Environmental (Emterra) and Waste Connections of Canada Inc. (Waste Connections) provide curbside waste collection services within the Region of Peel. Emterra provides collection in the North and Southwest collection zones, servicing approximately 65 percent of homes, and Waste Connections provides collection in the Southeast collection zone, servicing approximately 35 percent of homes. A collection zone map is included as Appendix I. The contracts expire on September 29, 2024, with options to extend for two additional 12-month terms at the Region's sole option and discretion.

To ensure continuous improvement, each year, the contractors set targets to improve their performance and contract compliance compared to previous years. Each month, staff review performance metrics with both collection contractors in an effort to improve daily operations and provide all of Peel's residents with a good standard level of service. The parties discuss issues that may have hindered the contractor's achievement of their targets, determine if

Curbside Waste Collection Contractors' Performance in 2021

any additional support is needed from the Region, and identify next steps for improved performance moving forward.

This report provides information on the curbside collection contractors' performance in 2021.

2. COVID-19 Impacts on Waste Collection Operations

In 2021, the contractors' operations were impacted by global supply chain challenges and labour shortages. They were also impacted by month-to-month changes in tonnage as residents changed their living habits in response to COVID-19.

The Region of Peel and the collection contractors put emergency response plans and preventive measures in place to ensure the safety of the public and workers, and to maintain Peel's essential waste services for the long-term.

The following sections describe the pandemic's impacts on waste collection services and how the pandemic has presented significant challenges that have, and continue to, impact the contractors' operations and service delivery.

a) 2021 COVID-19 Related Service Changes

During 2021, the Region temporarily adjusted curbside waste collection services by cancelling the garbage exemption periods and periodically allowing residents to place two bags of excess garbage without bag tags at the curb for collection in response to the evolving pandemic.

b) Labour

The existing North American truck driver shortage has been made worse by the pandemic. The rise in the demand for drivers in other industries, such as online retailer and food delivery, has made it increasingly more difficult for waste collection contractors across the province to attract and retain drivers and loaders and has led to higher turnover rates. The contractors have therefore had to rely more heavily on hiring temporary operators, which contributes to late and missed collections due to unfamiliarity with the waste collection routes.

Other impacts to staffing included COVID-19-related absences, due to:

- testing and awaiting results;
- Isolation requirements for confirmed cases and for individuals who may have been exposed to the virus;
- vaccination appointments (sometimes at short notice or same-day); and,
- Ontario's COVID-19 Worker Income Protection Benefit, which requires employers to provide their employees with up to three paid days off for a range of reasons related to the pandemic (e.g. get tested or vaccinated, self-isolate).

Some late and missed collections in 2021 were the result of these COVID-19 related absences.

Curbside Waste Collection Contractors' Performance in 2021

c) Equipment

Due to the pandemic, global supply chains have been disrupted, impacting material (parts and supplies) availability. The stress on the global supply chain is further exacerbated by the labour shortages faced by the transportation industry.

As a result, the contractors have experienced issues with repairing and maintaining their waste collection vehicles and equipment, which ultimately impacts their day-to-day on-road truck availability. In instances where they were unable to source the parts for necessary repairs to their trucks, they relied on the rental of waste collection vehicles but, with the growing demand for rental vehicles throughout the waste management industry, there are limited resources available to the collection contractors.

Some late and missed collections in 2021 were the result of these COVID-19 related equipment shortages.

d) Tonnages

Compounding the above pressures on operations were unanticipated weekly and monthly tonnage fluctuations.

In mid-March 2021, a third wave of the virus led to the postponement of spring break from March to April, impacting the number of residents and students staying at home in March. In March 2021, the tonnages collected at curbside increased by 13 percent for garbage, 10 percent for recycling, 11 percent for organics and eight percent for yard waste compared to March 2020.

Again, during the month of May 2021, there were increased volumes of garbage (16 percent), recycling (seven percent), organics (eight percent) and yard waste (nine percent) compared to May 2020 due to residents remaining at home during the Ontario government's stay-at-home order, the Region's curbside program change that allowed residents to place two bags of excess garbage at the curb without bag tags, and the two heaviest spring yard waste collection weeks during the weeks of May 17 and 24.

Over the entire year, however, tonnage increases were more modest compared to 2020, with garbage increasing by one percent, organics increasing by two percent, recycling decreasing by one percent and yard waste decreasing by three percent.

Additional details of the tonnages collected by Emterra and Waste Connections in 2021 compared to 2020 are included in Appendix II.

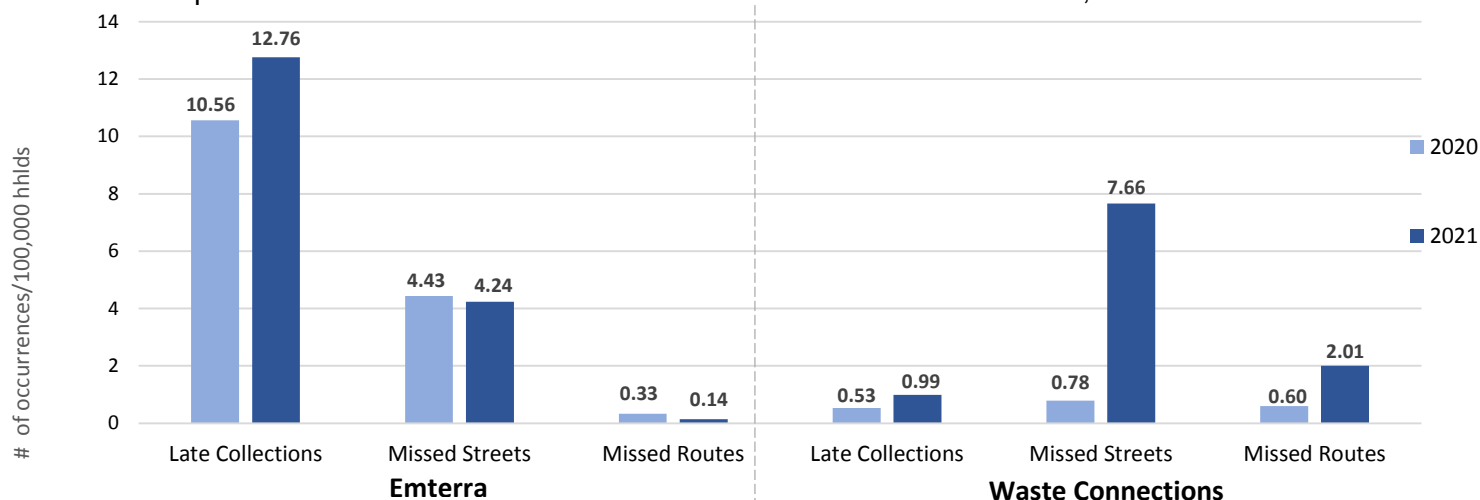
3. Performance Updates

The collection contracts require that all waste be collected by 6:00 pm. If waste is collected after 6:00 p.m., it is considered a late collection. If it is not collected on the scheduled collection day, it is considered a missed collection.

Graph 1 below shows the occurrences of late collections, missed streets and missed routes per 100,000 households, by collection contractor, for 2020 and 2021.

Curbside Waste Collection Contractors' Performance in 2021

Graph 1 – Emterra and Waste Connections Late and Missed Collections, 2020 and 2021*



*Note: on December 6 to 8, 2021, a labour dispute involving Emterra and its employees resulted in service impacts throughout the week. The strike-related late and missed collections are not included in the above counts

Understandably, due to the previously mentioned challenges, there was an increase in the number of late collections by both contractors in 2021 compared to 2020. Overall, Emterra continues to make improvements in their service delivery year-over-year, which is especially impressive in 2020 and 2021 due to the pandemic. Waste Connections continues to have fewer service issues than Emterra but 2021 presented challenges that in turn resulted in a slight service level reduction in 2021 for Waste Connections compared to 2020.

It should be noted that the Region waived liquidated damages in instances where late and/or missed collections were the direct result of the pandemic.

4. Action Plans, Contingencies and Next Steps

The Region and its waste collection contractors will continue working together to navigate through the challenges presented by the ever-evolving pandemic. The shared goal is to improve daily operations and ensure continued and uninterrupted services.

Work is underway to proactively establish, implement and monitor contingency and action plans relating to staffing and equipment that will help ensure critical waste collection services continue and assist with the return to standard service levels.

CONCLUSION

In 2021, the COVID-19 pandemic presented significant challenges that have, and continue to, impact the contractors' operations and service delivery.

Staff will provide an update on the contractors' 2022 performance in 2023.

APPENDICES

Appendix I - Curbside Waste Collection Zone Map

Appendix II - Curbside Tonnages, 2020 and 2021

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