
For Information

REPORT TITLE: Curbside Waste Collection Contractors' Performance

FROM: Andrew Farr, Interim Commissioner of Public Works

OBJECTIVE

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

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.
 - To ensure continuous improvement, both contractors set aggressive targets to reduce late and missed collections in 2019 and 2020. Although the contractors do not always meet their targets each month, overall, they continue to make improvements in their service delivery year-over-year.
 - 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 2019 and during the first half of 2020, Emterra and Waste Connections have demonstrated an overall improvement in their performance.
 - Staff continues to monitor and review the performance metrics with both collection contractors, to improve daily operations and ensure a good level of service.
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DISCUSSION

1. Background

On January 4, 2016, Emterra Environmental (Emterra) and Waste Connections of Canada Inc. (Waste Connections) began curbside waste collection services within the Region of Peel. The contracts have a term of eight years and nine months, which expires on September 29, 2024, plus options to extend for two additional 12-month terms. Emterra is responsible for curbside collection services in the North and Southwest collection zones, servicing approximately 65 per cent of homes. Waste Connections is responsible for collection services in the Southeast collection zone, servicing approximately 35 per cent of homes. A collection zone map is included as Appendix I.

As a result of Emterra's ongoing performance issues with late and missed collections, Regional Council supported staff taking action in 2018 to exercise powers within the collection contract to improve performance, including the removal of one or more routes

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(Resolution 2018-572). Effective October 29, 2018, four routes of approximately 1,000 homes (one each on Monday, Tuesday, Wednesday, Thursday) were removed from Emterra's responsibility and taken over by Waste Connections. Since the removal of the four collection routes, there has been an improvement in Emterra's performance. Waste Connections has maintained a good level of service.

At the Region of Peel's request, to ensure continuous improvement the contractors set aggressive targets (monthly and year-over-year) to improve their performance and contract compliance in 2019 and 2020 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 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 2019 and the first six months of 2020 (January to June).

2. COVID-19 Impacts on Waste Collection Programs, Services and Operations

To ensure the safety of the public and workers during the COVID emergency, and to maintain Peel's essential waste services for the long-term, the Region of Peel and the collection contractors put emergency response plans and preventive measures in place to mitigate exposure of the coronavirus disease. The Region temporarily adjusted the following curbside waste collection services:

- Cancellation of the spring battery collection event in April;
- Cancellation of the spring garbage exemption period in June;
- Suspension of bulky item collection (reinstated as of June 29);
- Suspension of cart exchanges (reinstated as of July 6); and,
- Allowance for residents to place two bags of excess garbage without bag tags at the curb for collection during the emergency declaration.

Despite an increase of approximately 11 per cent in organics tonnage, a one per cent increase in garbage tonnage collected in 2020 compared to 2019 and modified collection practices to ensure the safety of workers and residents, both contractors continue to provide a good level of service to Peel's residents. Both contractors continue to provide assistance to quickly address customer service complaints, any concerns received through Councillors and to clean up illegally dumped waste.

At the request of Regional Council, commendation letters were sent to all of the Region's waste collection contractors, thanking them for their outstanding efforts during this unprecedented time by continuing to provide safe and reliable waste collection, and applauding the hard work of their front-line waste collection staff and those supporting their operations to serve the Peel community.

3. Performance Update

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

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collection day, it is considered a missed collection. Liquidated damages are applied for late and missed collections.

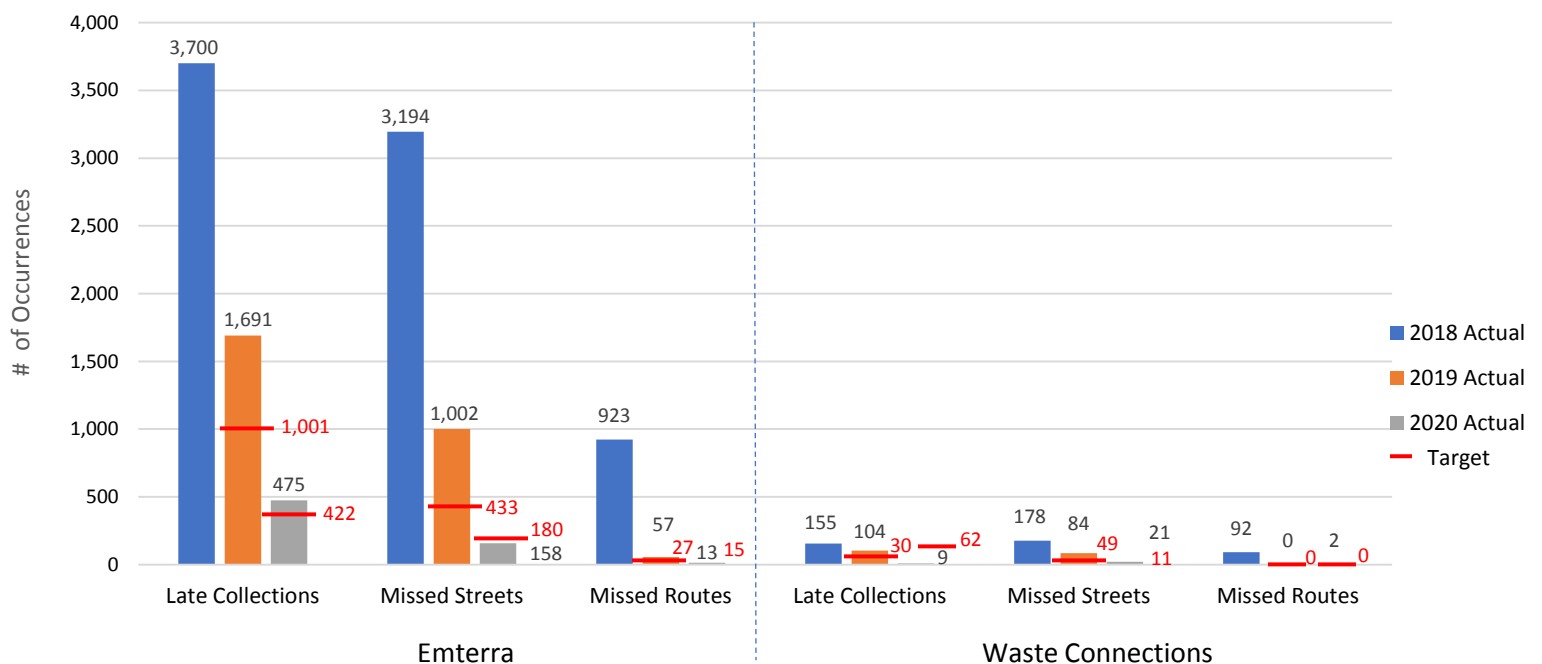
In 2019, Emterra and Waste Connections significantly reduced the number of late and missed collections and were therefore able to reduce liquidated damages by 70 per cent and 74 per cent respectively, compared to 2018.

In January and February 2020, Emterra experienced a slight uptick in late and missed collections and their liquidated damages increased by five per cent compared to the same period in 2019. Waste Connections continued to reduce late and missed collections and reduced liquidated damages by an additional 20 per cent.

Given the extraordinary circumstances of COVID-19 and the contractors' performance, where best efforts are being made to complete collections each day with no major service interruptions, all liquidated damages incurred since March 2020 have been waived. Since the waiver of liquidated damages in March, the contractors continue to exhibit best efforts during the ongoing pandemic.

Graph 1 shows the target and actual occurrences of late collections, missed streets, and missed routes by collection contractor for 2019 and the first six months of 2020.

Graph 1 – Emterra and Waste Connections: Late and Missed Collections – Targets and Actuals (2018, 2019, January - June 2020)



In April 2020, both contractors experienced challenges with yard waste collection due to the early arrival of the yard waste season and unprecedented tonnages set out at the curb for collection compared to previous years. This resulted in an increase in late collections and missed routes. Understandably, collection practices had to be modified to protect the safety of the workers and Peel's residents, which temporarily slowed down the contractors' collection operations in the months following the outbreak of COVID-19 (particularly April

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and May). Emterra continues to make significant improvements in the provision of their waste collection services, however, the order of magnitude in their late and missed collections continues to exceed that of Waste Connections, as shown above.

Also noteworthy is, that in 2019, both contractors assisted the Region and residents during two significant program changes; a change to the garbage exemption period dates and the extension of the yard waste collection season by one week. The contractors provided exceptional customer service by collecting any additional garbage placed at the curb on the former exemption period dates, to help clear the curbside during the transition. For the extension of the yard waste season, the contractors displayed flexibility and cooperation by making the necessary resources available with a quick turnaround.

CONCLUSION

In 2019 and during the first six months of 2020, Emterra Environmental and Waste Connections of Canada Inc. have demonstrated an overall improvement in their performance. The persistent and proactive efforts taken to improve daily operations are helping to ensure that all of Peel's residents receive a good level of service.

Staff will provide an update on the contractors' performance in 2021.

APPENDICES

Appendix I - Curbside Waste Collection Zone Map

For further information regarding this report, please contact Norman Lee, Director, Waste Management, Ext. 4703, norman.lee@peelregion.ca.

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Reviewed and/or approved in workflow by:

Department Commissioner and Division Director.

Final approval is by the Chief Administrative Officer.



N. Polsinelli, Interim Chief Administrative Officer