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The Regional Municipality of Durham Report

To: Works Committee
From: Commissioner of Works
Report: #2024-WR-8
Date: November 6, 2024

Subject:

Sole Source with Miller Waste Systems Inc. for the Collection of Source Separated Organic Waste from Regional Municipality of Durham Approved Multi-Residential Properties in Durham Region

Recommendation:

That the Works Committee recommends to Regional Council:

- A) That staff be authorized to award a sole source agreement to Miller Waste Systems Inc. for the collection of source separated organic waste for the Multi-Residential Enhanced Green Bin Program from Region-approved multi-residential properties in the City of Pickering, Town of Ajax, Townships of Uxbridge, Brock and Scugog, and the Municipality of Clarington;
 - B) That 2025 pre-budget approval for \$532,046 (\$912,078 annualized) be authorized to finance the sole source contract; and
 - C) That the Commissioner of Finance be authorized to execute the necessary documents related to the sole source agreement.
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Report:

1. Purpose

- 1.1 The purpose of this report is to seek Regional Municipality of Durham (Region) Council approval to negotiate and award a sole source agreement with Miller Waste Systems Inc. for the collection of source separated organics from multi-residential properties currently receiving waste collection services from the Region

in the City of Pickering, Town of Ajax, Townships of Uxbridge, Brock and Scugog, and the Municipality of Clarington.

2. Background

2.1 On March 1, 2023, Regional Council approved Works Committee Report [#2023-WR-3](#), authorizing the development and implementation of a Green Bin program for multi-residential properties receiving Regional waste collection services.

2.2 Currently, the Region provides garbage collection services to multi-residential properties in six lower-tier communities that meet the requirements in the “Technical and Risk Management Guidelines for Municipal Waste Collection Services on Private Property and for New Residential Developments in Durham Region” of By-Law 46-2011. Multi-residential properties that do not meet the requirements manage their waste with private contractors. The Region does not have a multi-residential Green Bin program.

2.3 The greatest potential for increasing waste diversion in the Region lies in the management of organic waste from multi-residential buildings. Currently, 124 multi-residential properties (9,148 units) receive municipal waste collection services, as noted in Table 1 below. This housing stock is the Region’s fastest growing housing sector.

2.4 Table 1: Multi-residential properties serviced by the Region (May 2024)

Municipality	# Multi-residential Properties Serviced for garbage collection	Total # of Individual Units Serviced in these Properties
Pickering	38	3,960
Ajax	34	3,124
Clarington	27	1,170
Uxbridge	15	511
Scugog	4	138
Brock	6	245
TOTAL	124	9,148

2.5 On December 6, 2023, Regional Council approved Report [#2023-WR-9](#) authorizing the implementation of a Multi-Residential Green Bin Collection Program for multi-residential properties already receiving municipal waste collection service, including those serviced by the City of Oshawa and the Town of Whitby, with annual program cost of approximately \$1.9 million. This approval is subject to the Commissioner of Works entering into a Shared Service Agreement amongst the Town of Whitby and the City of Oshawa for a region-wide collection program operated by the Region, with costs of approximately 50.6 per cent and 16.0 per cent being recovered from the City of Oshawa and the Town of Whitby respectively.

3. Previous Reports and Decisions

- 3.1 Report [#2019-COW-17](#) titled, 'Organics Management Next Steps and Updated Preliminary Business Case' adopted wet AD as the preferred technology for the Region's long-term organics management plan to maximize diversion, including green bin organics and the organic fraction of mixed garbage wastes.
- 3.2 Report [#2022-COW-22](#) titled, 'Negotiated Request for Proposal Results for the Design, Build, Operate and Maintain Contract for a Mixed Waste Pre-sort and Anaerobic Digestion Facility' provided the rationale for Regional Council to cancel the procurement process for the AD project. Section 2 of the report provides a detailed summary of Regional Council's direction between 2018 and 2022 at key decision points in the AD project development process.
- 3.3 Report [#2023-WR-3](#) titled, 'Organics Management Plan – Next Steps' proposed the launch of the Enhanced Green Bin program to extend the list of acceptable items in the Green Bin program. In addition to the approval of the development of a Green Bin program for multi-residential properties receiving Regional waste collection services and the amendment of By-Law #46-2011, effective July 1, 2024, to reflect such program changes.
- 3.4 Report [#2023-WR-9](#) titled, 'Organics Management Plan – Multi-Residential Enhanced Green Bin Program' proposed that staff be authorized to implement an enhanced green bin collection program for multi-residential properties already receiving regional waste collection services with an estimated program cost of \$1.9 million and an amendment to By-Law #46-2011 to reflect these changes. The report also recommended that staff be authorized to enter into a Shared Service Agreement with the Town of Whitby and the City of Oshawa to recover approximately 66.6 per cent of the costs of the program.

4. Ontario Food and Organic Waste Policy Statement

- 4.1 Ontario's Food and Organic Waste Policy Statement (Policy Statement) requires municipalities to achieve the following:
- a. 70 per cent waste reduction and resource recovery of food and organic waste generated by single-family dwellings in urban settlement areas by 2023; and
 - b. 50 per cent waste reduction and resource recovery of food and organic waste generated at multi-residential properties by 2025.
- 4.2 The Multi-Residential Enhanced Green Bin Program is a significant step toward the Region's alignment with the policy statement requirements.

5. Shared Service Agreement with the Town of Whitby and the City of Oshawa

- 5.1 On April 29, 2024, the Community and Operations Service Committee presented Report [CO-24-26](#) to Oshawa City Council with the recommendation to develop a city-operated multi-residential organics collection program. As such, the City of Oshawa will not participate in the Region's Multi-Residential Enhanced Green Bin Program or the Shared Service Agreement.
- 5.2 On May 14, 2024, the Town of Whitby notified Region staff that they could not enter into a Shared Service Agreement and will explore alternative options to provide a multi-residential organics collection program within their municipality at a later time.

6. Rationale for Sole Source Approval of Multi-Residential Source Separated Organic Waste Collection

- 6.1 On September 25, 2023, the Region issued Request for Proposal (RFP) #1068-2023 for the collection of Multi-Residential Organics in the Region of Durham. The successful bidder was required to provide all the staffing, vehicles, bins, and equipment necessary for this service. RFP-#1068-2023 closed on October 23, 2023.
- 6.2 The bids submitted for RFP-1068-2023 were evaluated against the criteria specified in report [#2023-WR-9](#) with a minimum qualifying score of 70 per cent. Miller Waste Systems was the only successful bidder.
- 6.3 The bid cost of \$1,837,274 was to be allocated between the Region, the Town of Whitby, and the City of Oshawa through a shared service agreement. However,

the RFP was cancelled because the shared service agreement could not be finalized.

- 6.4 On August 6, 2024, the Region issued a negotiated RFP N-358-2024 for the collection of Multi-Residential Organics in the Region of Durham, excluding properties in the Town of Whitby and the City of Oshawa. This RFP was issued to Miller Waste Systems as the only qualified bidder for RFP-1068-2023 in accordance with Appendix “C” of the Region’s Purchasing By-law. RFP N-358-2024 closed on September 6, 2024.
- 6.5 A November award of this contract is required to ensure that the contractor has sufficient time to mobilize for the June 1, 2025 program start.

7. Financial Implications

- 7.1 Section 7.2 of the Region’s Purchasing By-law #16-2020 permits the acquisition of goods and services through sole source negotiations under specific circumstances outlined in Appendix “C” of the by-law. Section 1.1 of Appendix “C” permits negotiations for goods or services that can be supplied only by a particular supplier where no reasonable alternative or substitute goods or services exist due to an absence of competition for technical reasons. The by-law also requires approval by the appropriate standing committee and Council for the award of sole source contracts that exceed \$100,000 in value.
- 7.2 2025 Pre-budget approval for \$532,045.76 (\$912,078.44 annualized) is recommended for the award of the sole source contract for the Multi-Residential Enhanced Green Bin Program. This \$532,046 pre-budget approval will be included in the 2025 Business Plans and budget.
- 7.3 Miller Waste provided provisional pricing for a bin washing service based on pricing staff does not recommend proceeding with this provisional service as the proposed bin washing service is not cost-effective.
- 7.4 Partial cost offsets may be realized from the reduced garbage collection and processing costs due to a decrease in the volume of garbage resulting from the diversion of organic waste. The volumes achieved will be subject to resident participation in the program’s launch.

8. Relationship to Strategic Plan

- 8.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Goal 1.1 Accelerate the adoption of green technologies and clean energy solutions through strategic partnerships and investment.
- b. Goal 1.2 Increase waste diversion and resource recovery.
- c. Goal 1.4 Demonstrate leadership in sustainability and addressing climate change.
- d. Goal 5.1 Optimize resources and partnerships to deliver exceptional quality services and value.

9. Conclusion

- 9.1 While the Regional Municipality of Durham will no longer be entering into a Shared Service Agreement with the City of Oshawa and the Town of Whitby, Regional staff continue to work towards the implementation of a Multi-Residential Enhanced Green Bin Program within the remaining local area municipalities, including the City of Pickering, Town of Ajax, Municipality of Clarington, and Townships of Scugog, Brock and Uxbridge. Regional staff will continue to communicate with the City of Oshawa and Town of Whitby staff related to the development of similar services in those communities.
- 9.2 It is recommended that Regional Council approve the award of a sole source for the collection of source-separated organic waste from multi-residential properties receiving regional waste collection services and associated financing, subject to negotiation of the contract satisfactory to the Commissioner of Finance.
- 9.3 This report has been reviewed by the Finance Department, and the Commissioner of Finance concurs with the recommendations.

9.4 For additional information, contact: Andrew Evans, Director, Waste Management Services, at 905-668-7711, extension 4102.

Respectfully submitted,

Original Signed By:

Ramesh Jagannathan, MBA, M.Eng., P.Eng., PTOE
Commissioner of Works

Recommended for Presentation to Committee

Original Signed By:

Elaine Baxter-Trahair
Chief Administrative Officer