



## STAFF REPORT ACTION REQUIRED

### Solid Waste Management Services, Collections Operations Annual Report – August 2012 to July 2013

<b>Date:</b>	October 28, 2013
<b>To:</b>	Public Works and Infrastructure Committee
<b>From:</b>	General Manager, Solid Waste Management Services
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2013\Cluster B\SWM\November\014PW (AFS#15907)

#### SUMMARY

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The Curbside Collection contract for garbage, recycling, organic materials and other waste in District 2 was awarded to Green For Life Environmental East Corporation by City Council on October 24 and 25, 2011. Collection commenced on August 7, 2012. The District 2 collection contract duration is for seven years with two-one year extension options that can be exercised upon City Council authorization.

This report serves as the annual report representing the period between August 7, 2012 to August 6, 2013, which is a more comprehensive look at the overall performance of the contractor, but also provides the ongoing quarterly updated information in the four collection districts in the City between July 1, 2013 and September 23, 2013.

#### RECOMMENDATIONS

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**The General Manager, Solid Waste Management Services, recommends that:**

1. The Public Works and Infrastructure Committee receive this report for information.

## **Financial Impact**

This report has no financial impacts.

## **DECISION HISTORY**

At its meeting on October 24 and 25, 2011, City Council directed the Acting General Manager of Solid Waste Management Services to submit reports quarterly to the Public Works and Infrastructure Committee on the number of 311 complaints and number of open tickets related to waste collection pick up in Districts 1, 2, 3 and 4.

City Council Decision document “CC13.5 – Contract Award Request for Quotation 6033-11-3816 - Curbside Collection, District 2”, can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.CC13.5>

At its meeting on June 6, 7 and 8, 2012, City Council directed the Acting General Manager of Solid Waste Management Services to report to the Public Works and Infrastructure Committee as outlined in the supplementary report (June 1, 2012) from the Acting General Manager, Solid Waste Management Services [PW15.8b].

City Council Decision document “PW15.8 – Solid Waste Curbside Collection, District 2 Contract Monitoring Plan”, can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.PW15.8>

At its meeting of March 19, 2013, the Public Works and Infrastructure Committee received item for information “PW21.3 – Solid Waste Management Services, Collections, Operations Quarterly Report - August to December 2012”. This item can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PW21.3>

At its meeting of June 19, 2013, the Public Works and Infrastructure Committee received item for information “PW24.4 – Solid Waste Management Services, Collections, Operations Quarterly Report – January to March 2013”. This item can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PW24.4>

At its meeting of September 20, 2013, the Public Works and Infrastructure Committee received item for information “PW25.4 – Solid Waste Management Services, Collections, Operations Quarterly Report – April to June, 2013”. This item can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PW25.4>

## **ISSUE BACKGROUND**

City Council at their October 24 and 25, 2011 meeting directed staff to report quarterly and annually on various performance and operational indicators that would measure the District 2 waste collection contractor – Green For Life Environmental East Corporation –

against Districts 1, 3 and 4. To date, staff has complied with City Council's directions and submitted three quarterly Committee reports, including this final quarter and this report as the annual summary of operations to date.

Within every quarterly report, staff has explained that the contractor, Green For Life Environmental East Corporation, has successfully satisfied the conditions within the District 2 collection contract. Customer service performance data indicate that all four districts are consistently meeting, and at times outperforming the Division's key performance indicators. Furthermore, Green Fore Life Environmental East Corporation has effectively and expeditiously responded to collection related issues raised by City staff, and also provided excellent assistance in cleaning up flood debris from the July 2013 rainstorm.

## **COMMENTS**

### **1. Customer Service Satisfaction Rate**

Currently Solid Waste Management Services measures customer service satisfaction by the number of complaints received per week in each district and also by the number of complaints received per 1000 pass-bys. This gives staff the ability to monitor trends and compare one district to another.

As part of the Solid Waste Management Services' Strategic Plan, staff have set up a Customer Service Improvement Team to identify reoccurring issues with customer service in all four districts and develop action plans to address these issues and in the long term reduce complaints and thereby increase customer satisfaction. One of the tasks that the Customer Service Improvement Team will carry out will be phone interviews with customers to develop a more comprehensive understanding of the issues that customers are facing.

### **311 Complaints and Open Tickets**

Residents can contact 311 to file a complaint with their curbside collection service provided by either City staff or the City's contractor, Green For Life Environmental East Corporation. All complaints are handled by 311 and processed in a similar fashion regardless of the affected collection district.

A service request is issued when a resident files a complaint about their waste/recycling curbside collection service with 311. Service requests can also include non-collection related matters such as bin exchanges, bin delivery for a new home owner, or requests for collection calendars. This report will only consider service requests related to curbside collection.

Service requests concerning curbside collection issues primarily involve a missed collection or operator complaint. Missed collection service requests and operator complaints are investigated by staff or the City's contractor and are closed once action

has been taken to resolve the issue. Remedial action for a missed collection commonly involves:

- Collection of waste/recycling bins that were properly set out at the curb and not collected (missed);
- Posting a sticker on an improperly placed bin at the curb that identifies the infraction/reason for not being collected (i.e. materials were placed in incorrect bin or bin does not correspond with the collection schedule); or
- Speaking to resident/owner and providing advice on why the materials were not collected;
- Operator complaints – Complaints involving staff working for the contractor are investigated by both City staff and contractor Supervisors. Action/follow up with complainants is usually completed within 48 hours.

The above mentioned incidents and subsequent action, categorized as missed collection, typically result in closing the service request within 24 to 48 hours of its issuance by 311.

#### **Curbside Collection Service Requests in Districts 1, 2, 3, 4 (4th Quarter)**

Curbside complaints in Districts 1 and 2 are forwarded to the contractor for their investigation and resolution. Contractor staff has received training and have been given access to service requests issued by 311. It is the responsibility of the contractor's staff to review, address, and close each service request received.

City staff monitor investigation notes and closure of service requests and have found that the contractor is meeting the conditions of the contract. Complaints in Districts 3 and 4 are forwarded to City collection supervisors for investigation, action, and resolution.

The average number of daily service requests per week between July 1 and September 30, 2013 in **District 1** was **29.3**. This relatively high number reflects the service requests generated from the July 8, 2013 flooding that happened mostly in the western part of the City. **District 2's** average number of daily service requests per week was **20.9**. This is slightly higher than previous quarters, and is also as a result of the flooding that occurred in July. **District 3** had a daily average of **23.8**, and **District 4's** average was the lowest of all four districts at **20.5**. It must be noted that previously District 4 was trending as the highest number of complaints in previous quarters. This is one of the areas that the Customer Service Improvement Team focused on to try and improve customer satisfaction. By identifying the issues and looking for ways to reduce the complaints, District 4 has been able to considerably lower their average weekly complaints.

The investigation and closure of collection related service requests during the third quarter of 2013 and throughout the first year of the contract were completed in a timely manner. Approximately 98% of curbside collection related service requests were

completed within the Divisional service standard, which was an improvement of approximately 5% over the same period in 2012.

**Appendix 1** illustrates the annual number of collection related service requests for the four districts for the period of August 7, 2012 (the beginning of the contract in District 2) to September 30, 2013.

**Appendix 2** shows a comparison of each district's collection performance which is to maintain the Division's service standard of less than one service request per 1,000 pass-bys. With the exception of District 1 in July and August, 2013 (flood related calls), all other districts met Solid Waste Management Services' performance standard.

## **2. Diversion Targets**

City Council has directed staff to include a requirement that diversion targets must meet or exceed current City standards and may not be reduced from the present targets. If the City increases diversion rates east of Yonge Street then a private firm will be required to also meet the increased diversion rates west of Yonge Street.

While diversion targets are set City-wide and not by individual District, staff have broken down the tonnages of material collected and **Appendix 3** outlines, by District, the annual material tonnages collected during the first full year of the Contract (September 2012 to August 31, 2013), compared to the 12-month period one year prior during which in-house crews provided the collection services.

From Appendix 3, we see that in 2011/2012, prior to Green For Life Environmental East Corporation taking over collections, the tonnage of waste collected was 68,300 tonnes and the tonnage of divertible material collected was 109,500 tonnes, or **61.6%** of the total material collected was divertible. In the past year 2012/2013, with Green For Life Environmental East Corporation doing the collections, the tonnage of waste collected was 58,400 tonnes and the tonnage of divertible material collected was 118,500 tonnes. The tonnage of divertible material has gone up and the tonnage of waste material has gone down. Therefore, the percentage of divertible material has gone up to **67.0%**. This data demonstrates the tonnages collected are comparable to over the two periods. The data also demonstrates that the material collected within each district is comparable to each other during both time periods.

Field monitoring and spot-checks are conducted to ensure that the materials are being collected and loaded properly, are not contaminated (i.e. materials mixed during collection), and that there is no scavenging of products.

Loads charged on the monthly invoices are reconciled between Green For Life Environmental East Corporation's records and the City's transfer station records.

### **3. Contract Costs**

Item CC13.5 “Contract Award RFQ 6033-11-3186 – Curbside Collection, District 2”, at the City Council meeting October 24 and 25, 2011, staff stated in the report that:

*The 2011 Approved Budget for District 2 - Curbside Collection is \$27,720,557. The potential award has a cost of \$18,796,449 annually, net of HST recoveries to provide curbside collection in District 2. After ancillary savings such as Contribution to Fleet Reserves and one-time proceeds from the sale of fleet assets and ancillary costs such as contract administration, this award is estimated to save approximately \$11.9 million or 32% in the first year. On an on-going annual basis, this cost savings estimate is expected to be \$11.1 million or 30%.*

The total invoices for the time period August 7, 2012 to August 6, 2013 are **\$18,690,790**, approximately \$100,000 less than the potential award cost stated above. This amount does not include the over 3,500 tonnes of waste material that was collected after the July 8<sup>th</sup>, 2013 storm event in Districts 1 and 2, nor does this total include the additional labour and equipment costs listed below as “Additional Costs” due to the July 8<sup>th</sup>, 2013 storm event.

#### **Additional Costs**

With the heavy rainstorm on July 8, 2013, Solid Waste Management Services engaged the contractor to provide additional debris collection to residents affected by the flooding. \$1,412,866.85 in additional fees was paid to the contractor for this service. These fees were part of the annual contingency amount that was allotted for under the contract.

### **4. Contract Monitoring**

This contract is overseen by a contract Manager who in turn is supported by a contract Supervisor. We have two staff (Project Leads) who monitor the contractor’s performances on the road daily. The organization chart for this oversight is attached as **Appendix 4**. There is also a temporary Acting Manager currently being trained in this area as part of the Division’s Talent Management Program. This group along with additional Project Leads, as part of the Solid Waste Management Services’ recent restructuring, is also responsible for the administration of the contract for District 1 and for the contract for the Multi-residential collection across the City. The estimated contract monitoring costs as for the staff identified in Appendix 4, including overhead is \$677,414.00.

### **5. District 2 Contractor Performance**

- **Health and Safety Requirements**

There have been no reported Health and Safety deficiencies subject to action as outlined in the contract.

- **Accidents, Spills and Contamination**

There have been no reported deficiencies in relation to accidents, spills or contamination that are subject to action as outlined in the contract.

- **Contractor Obligations and Violations**

Green For Life Environmental East Corporation provides daily reports on the number of trucks in use, products collected, finishing times, and loads not delivered/dumped. A GPS tracking system is used by City staff to support the analysis of finishing times.

Field monitoring and spot-checks are conducted by City staff to ensure the contractor remains in compliance with the contract. The contractor is also being monitored on completion time. The contract requires the contractor to be completed by 6:00 p.m. daily. Since early October 2012, this requirement has been met to Solid Waste Management's satisfaction.

- **Provincial Labour Law Violations**

There have been no reported violations in relation to Provincial Labour Laws which are subject to liquidated damages as outlined in the contract.

- **Labour Compliance – City of Toronto Fair Wage Policy**

Subsequent to the review of the contractor's payroll sheets, time cards, and books conducted in November 2012, the City's Fair Wage Office has indicated that the company was in compliance with the Fair Wage Policy throughout the first year of operation.

- **Fines/Penalties/Liquidated Damages**

There have been no fines/penalties/Liquidated Damages in relation to reported deficiencies that are subject to action as outlined in the contract.

## **CONTACT**

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## **SIGNATURE**

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Jim Harnum  
General Manager  
Solid Waste Management Services

## **ATTACHMENTS**

Appendix 1 – Average Number of Daily Service Requests (daytime curbside collection complaints) per week

Appendix 2 – Number of Service Requests (daytime curbside collection complaints) and per 1,000 pass-bys by month

Appendix 3 – Twelve Month Tonnages by District by Material

Appendix 4 – Organization Chart