

Review, Analysis and Service Delivery Model Recommendations for City-Wide Mechanical Litter Removal Operations

Date: June 25, 2025

To: Infrastructure and Environment Committee

From: General Manager, Solid Waste Management Services

Wards: All

SUMMARY

The purpose of this report is to report back to City Council with Solid Waste Management Services' review and analysis of potential service delivery options for the City's mechanical litter removal (litter vacuum) operation which is part of the City's integrated litter program. This report also recommends a service delivery model change to the currently contracted portion of the litter vacuum operations. It presents timelines, operational requirements, financial comparison estimates, and other considerations (resulting from extended producer responsibility transition for Blue Bin recyclables) for the Solid Waste Management Services Division (SWMS) to bring litter vacuum operations in-house once the existing contracts end. The East Contract¹ expires December 31, 2026, and the West Contract² expires March 31, 2027.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services recommends that:

1. City Council direct the General Manager, Solid Waste Management Services, with the support of the General Manager, Fleet Services, to bring the City's mechanical litter removal (litter vacuum) operations in-house, to be performed and managed by City staff, when the City's existing agreement for Mechanical Litter Removal (RFQ #6033-19-0187) for downtown Toronto (East Contract) and agreement for Mechanical Litter

1 In this report, RFQ #6033-19-0187 for downtown Toronto is referred to as the East Contract.

2 In this report, RFQ Doc3060658546 for the west-end of Toronto is referred to as the West Contract.

Collection (RFQ Doc3060658546) for the west-end of Toronto (West Contract) have ended respectively.

2. City Council authorize the General Manager, Solid Waste Management Services and General Manager, Fleet Services starting in 2025 to make any necessary adjustments as defined in the Financial Impact section to their Divisional capital, operating and reserve budgets, as well as amend their Divisional staffing complement to implement Recommendation 1 of this report.

FINANCIAL IMPACT

The report details the cost estimates of bringing both the East and West contracts for litter vacuum operations in-house. As shown in Attachment 4: Cost Comparison for Diesel and Electric Combination, in-house service delivery has been estimated to cost approximately \$28.508 million for the 5-year period 2027 to 2031. This represents a cost savings of \$1.203 million in comparison to the estimated current contract.

The initial purchase of thirty-six (36) litter vacuums (28 diesel and 8 electric), one (1) pick up truck and associated infrastructure costs will occur in 2025 requiring an in-year capital budget adjustment for \$6.235 million in 2026. In addition, there will be operating budget implications in 2026 if City Council approves the recommendation outlined in this report.

The estimates include additional staff related operating costs to fund 28 permanent and 17 seasonal Light Equipment Operator (LEO) positions, one (1) new Supervisor position, an inter-divisional charge from Fleet Services Division to fund two (2) permanent Automotive Mechanic 2 positions and the operating costs of 36 new litter vacuum vehicles and 1 pick up truck to deliver the service.

Also included, are one-time 2026 capital costs of \$0.667 million to install Level 2 charging stations for eight (8) electric litter vacuums and operations yard upgrades for staffing and various equipment shelters. Both operating and capital expenses will be offset through the removal of litter vacuum contract costs.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information as presented in the Financial Impact section.

DECISION HISTORY

At its meeting on April 23 and 24, 2025, City Council adopted Item IE20.5 titled "Transition of the Blue Box Program to Extended Producer Responsibility: Post-Transition Update" where staff informed City Council of collection services re-optimization plan and identified potential efficiencies and synergies within collections and litter operations with the removal of recycling.

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The City Council Decision Document can be viewed at:
<https://secure.toronto.ca/council/agenda-item.do?item=2025.IE20.5>

At its meeting on April 17 and 18, 2024, City Council adopted Item IE12.1 titled "Post-Transition of the Blue Box Program to Extended Producer Responsibility and Results of District 2 Service Delivery Options Review" where City Council directed staff to report back on the results of the review and analysis of the potential service delivery options for the City's integrated litter program operations including any timelines and recommendations to undertake a managed competition process or directly bring operations in-house for contracted litter vacuum operations. In addition, City Council authorized the General Manager, Solid Waste Management Services or their designate to negotiate and enter into any new agreements or amending agreements necessary for the City's continued litter vacuum operations until December 31, 2026, based in part on the recommendations on pricing set out in Confidential Attachment 1 to the report (March 13, 2024) from the General Manager, Solid Waste Management Services, and on terms satisfactory to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.

The City Council Decision Document can be viewed at:
<https://secure.toronto.ca/council/agenda-item.do?item=2024.IE12.1>

At its meeting on December 1, 2021, Bid Award Panel adopted Item BA167.2, titled "Awarding of Ariba Document Number 3060658546 to Municipal Maintenance Inc. for Mechanical Litter Collection for Solid Waste Management Services" for the City's west end for a period of five (5) years commencing on April 1, 2022, to March 31, 2027.

The Bid Award Panel Decision Document can be viewed at:
<https://secure.toronto.ca/council/agenda-item.do?item=2021.BA167.2>

At its meeting on October 31, 2019, Bid Award Panel adopted Item BA53.1 titled "Award of RFQ No. 6033-19-0187 to Municipal Maintenance Inc. for Mechanical Litter Removal for Area 1 - downtown core" from January 1, 2020, to December 31, 2024.

The Bid Award Panel Decision Document can be viewed at:
<https://secure.toronto.ca/council/agenda-item.do?item=2019.BA53.1>

COMMENTS

Background

Transition of the Blue Box Program to Extended Producer Responsibility

On June 3, 2021, the Government of Ontario, enacted [O. Reg. 391/21: Blue Box](#) under the Resource and Recovery and Circular Economy Act, 2016, which outlined the transition of responsibility for the end-of-life handling of recyclable materials under the Blue Box Program to full Extended Producer Responsibility (EPR). This shift transferred operational and financial responsibility for post-consumer Blue Box materials from municipalities to producers of paper, packaging, and packaging-like products. Toronto transitioned its Blue Bin recycling program to producers on July 1, 2023.

Solid Waste Management Services (SWMS), under City Council direction, signed a Transition Agreement with Circular Materials to provide recycling services including collection, transfer, haulage, customer service, and promotion and education through December 31, 2025.

Despite negotiations with Circular Materials to have the City continue as a contracted curbside recycling collection service provider, the City was unable to resolve challenging terms and conditions within Circular Materials' procurement of Blue Box collection. As a result, the City and Circular Materials could not reach an agreement for Toronto to continue as a recycling curbside collection service provider beyond January 1, 2026.

The removal of Blue Box collection services from SWMS' service portfolio will result in a decreased number of positions required for collections service. It also provided an opportunity to reevaluate the City's integrated litter program within the Solid Waste Management Services' Collections & Litter Operations section with a focus on litter vacuum operations as a potential area for re-optimization.

At its meeting on April 17, 2024, City Council directed SWMS to report back with the results of a review and analysis of the potential service delivery options for the City's integrated litter program operations, including any timelines and recommendations to undertake a managed competition process or directly bring operations in-house for contracted litter vacuum operations and any timelines and recommendations for changes to the City's on-street litter bin operations which are currently part of the City's coordinated Street Furniture Program.

This staff report specifically focuses on the review of the contracted litter vacuum operations and considerations for bringing the service in-house as well as managed competition timelines and recommendations. A separate report will be brought forward which considers any changes to on-street litter bin operations and with information on the City's coordinated Street Furniture Program.

Current East and West Litter Vacuum Operations

Litter vacuum operators are responsible for maintaining cleanliness along sidewalks and curb lanes. City-wide, this service is delivered through a combination of in-house resources and contracted service providers, covering a total of 60 routes, 29 of which are managed through contracted service providers, and 31 by City staff.

In 2010, contracted litter vacuum services consisted of one contract in the downtown core (East Contract). In 2012, the West contract was formed. The current East contract ends on December 31, 2026, and the West contract ends March 31, 2027. Both contracts are serviced by Municipal Maintenance Inc.

The City's Solid Waste Management Services' Collections & Litter Operations section manages the East Contract and the West Contract which requires the Supplier to collectively service a total of 29 routes. This includes full service of the litter vacuum operation by the Supplier over a 40-week period during seasonally warm months and at a reduced level of service during the 12 weeks of winter. Table 1 refers to the service levels provided by the Supplier for the East Contract and West Contract throughout the year. The two contracts are geographically divided: the East contract covers 12 routes and is operated from a private contracted yard, while the West contract covers 17 routes, operating out of three City-owned yards: King Yard, Bering Yard and Toryork Yard. Table 1 outlines the service level requirements for each contracted area.

Table 1 - Service Level Requirements for the Litter Vacuum Operation Contracts

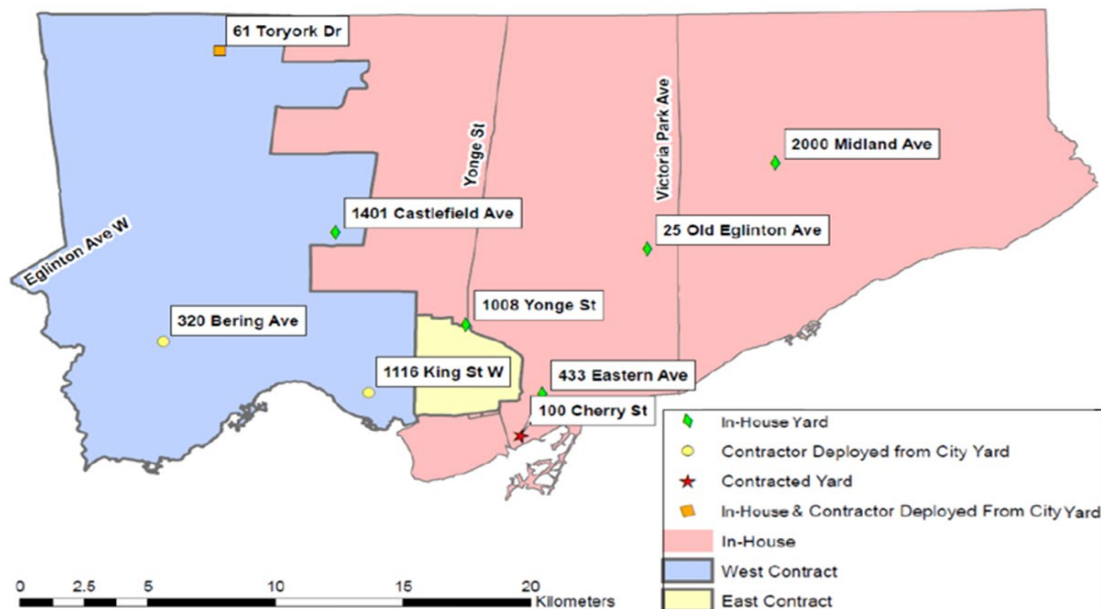
Area	Season	Number of Routes & Days	Number of Weeks
East	Summer, Spring, Fall	12 routes at 7 days/week	40
East	Winter	6 routes at 7 days/week	12
West	Summer, Spring, Fall	17 routes at 5 days/week	40
West	Winter	12 routes at 5 days/week 8 routes at 2 days/week	12

The boundary of the East Contract area includes: south of Bloor Street West to Queens Quay, Bathurst Street to the west and Bayview Avenue to the east. The East Contract covers the densely populated downtown area, including primary arterials, secondary streets, and laneways.

The West Contract area is comprised of two areas: Area A which encompasses Steeles Avenue West to Lake Shore Boulevard and Keele Street to the Humber River; and Area B which encompasses west of Bathurst Street to Keele Street and south of Dupont Street to Lake Ontario. Only primary arterial roads are maintained in these areas under the West Contract.

Figure 1 details the contracted service area for the East and West contracts, current in-house service area as well as the operation yards.

Figure 1 - Litter Vacuum Service Delivery Areas for East and West Contract and In-house



Review, Analysis and Service Delivery Model Considerations for Bringing East and West Contracted Litter Vacuum Operations In-House

Solid Waste Management Services staff assessed the feasibility of bringing the litter vacuum operation services, that are currently contracted out under the East Contract and the West Contract, in-house. This included reviewing and analysing a number of considerations including: operating yard needs, operational requirements and implementation considerations. Five financial impact options were also analyzed:

1. East In-house, West Contracted Out
2. West In-house, East Contracted Out
3. East and West In-house
4. East and West Contracted Out
5. Managed Competition.

Operating Yard Needs

Previous Suppliers who provided contracted litter vacuum operation service for the East contract operated their litter vacuums out of the City's Booth Yard located at 433 Eastern Avenue/50 Booth Avenue. Since 2017, due to space limitations and the City's uncertainty regarding the long-term use of Booth Yard, the litter vacuum Suppliers that

served Toronto's downtown area have been required to secure and operate from their own yard. As a result, the litter vacuum operations under the East contract are being conducted from a facility provided by the Supplier.

The Supplier that provides the litter vacuum operation services under the West Contract operates out of three (3) designated City yards: (i) King Street Yard located at 1116 King Street West, (ii) Bering Yard located at 320 Bering Avenue, and (iii) Toryork Yard located at 61 Toryork Drive. Access to these City yards were provided to the Supplier of the West Contract due to their central locations within the service area which allowed the Supplier to meet their obligation under the West Contract to ensure their litter vacuum operators arrived at their assigned route within 15 minutes of their start time. Currently, the Supplier of the West Contract is only utilizing the outdoor yard space at these City yard locations for the storage of their litter vacuums and the City has not provided the Supplier access to the City yards indoor facilities (e.g. locker rooms, meeting spaces).

Solid Waste Management Services staff consulted with Transportation Services regarding the potential use of City yards in the event the litter vacuum work under the East Contract and West Contract are brought in-house in 2027. Transportation Services has advised there is adequate capacity at the City yards to accommodate all of the City's in-house litter vacuum operational fleet needs. Specifically, litter vacuum operations currently covered under the East contract could be transitioned to the Booth Yard, while the litter vacuum fleet associated with the West contract could be housed across the three (3) City yards currently utilized by the Supplier who provides the services under the West Contract.

Solid Waste Management Services staff, in coordination with staff from Transportation Services and Fleet Services, conducted site visits at each of the designated City yards outlined above, to assess their readiness to support in-house litter vacuum operations. These assessments identified the need for upgrades to the City yards to ensure adequate litter vacuum fleet storage and to provide a functional assembly area for City staff that would conduct the work.

Specific improvements include the repair or replacement of the canopy at Bering Yard and the installation of a new canopy at Toryork Yard to protect litter vacuums from weather exposure. Additionally, the City would be required to conduct state of good repair upgrades to the interior of the staff assembly area at Bering Yard and install eight (8) Level 2 electric vehicle chargers at King Yard to accommodate the portion of the fleet utilizing electric litter vacuums.

During the assessments, it was determined that the existing electrical infrastructure at the Booth Yard, Bering Yard, Toryork Yard, and King Street Yard lacks sufficient electrical capacity to support the installation and operation of Level 2 chargers required for electric litter vacuums. Furthermore, the litter vacuums at Bering Yard and Toryork Yard will be stored outdoors, which is not suitable for electric units, as they require indoor, heated storage to remain operable in sub-zero temperatures.

Short term Implementation Considerations

If the litter vacuum operation services under the East Contract and the West Contract are brought in-house, SWMS will deploy diesel-powered litter vacs at all four yards, with the exception of King Street Yard, which could support up to 10 Level 2 chargers with an electrical system upgrade. SWMS collaborated with Corporate Real Estate Management to engage a cost consulting firm to provide cost estimates for the required infrastructure upgrades required to upgrade the City yards to support the in-house litter vacuum operations. While an incremental approach is being proposed in this report, SWMS will work with Fleet Services to advance TransformTO goals wherever possible.

Long Term Implementation Considerations

To maintain the City's commitment to the TransformTO Net Zero Strategy³, SWMS's long-term plan is to utilize electric litter vacuums when considering future fleet procurements. The total cost to upgrade the City yards to support a completely electric litter vacuum fleet would require building heated enclosures, upgrading the electrical capacity at the City yards and installing Level 2 chargers which would cost approximately \$4.457 million. This cost is based on a class C estimate where the cost estimate may fluctuate between +/- 25%.

Internal Alignment Efficiencies

In reviewing the option to transition the contracted litter vacuum services from contracted service providers to in-house operations, City staff identified several strategic, operational, financial, and environmental internal alignment efficiencies.

Strategic Internal Alignment Opportunities

Workforce Optimization: Bringing litter vacuum services in-house allows for the expansion of both seasonal and permanent staffing, helping to offset positions impacted by the removal of recycling operations in Districts 3 and 4, as well as Night Collection.

Existing Yard Infrastructure: Solid Waste Management Services has access to existing yard facilities at Booth Yard, King Yard, Toryork Yard, and Bering Yard. As a result, there are no significant capital investments required for new infrastructure and only minor capital investments to upgrade the Yards, supporting a cost-effective transition.

Advancement of Green Fleet Goals: In-house operations support the City's commitment to achieving net-zero fleet emissions by 2040. City-managed fleets can be

³ TransformTO Net Zero Strategy aims to reduce community-wide greenhouse gas emissions in Toronto to net zero by 2040, [TransformTO Net Zero Strategy – City of Toronto](#)
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aligned with green energy targets through investment in low-emission and electric vehicles. In contrast, current contract requirements do not mandate the use of specific fuel types, as such stipulations may limit competitive bidding. In-house operations offer the flexibility to centralize yards closer to service routes, facilitating the integration of sustainable fleet solutions.

Enhanced Equipment Management: City-owned equipment undergoes regular preventative maintenance, ensuring vehicles meet both operational service levels and the expected 6-year lifecycle. This approach enhances reliability and cost efficiency, while reducing downtime and extending asset value.

Operational Internal Alignment Opportunities

The expansion of the City's staff complement enables greater flexibility in workforce deployment, allowing staff to be reassigned and deployed based on service demands across the City. This strategic staffing approach supports service excellence, as outlined below.

Operational Flexibility and Responsiveness: Increased staffing allows for agile deployment to high-priority service areas, ensuring consistent service levels citywide. Staff can be deployed to support enhanced seasonal and event-based services such as snow removal, encampment cleanups, spring cleanups, sporting events, special events, and environmental initiatives.

Cost-Effective Staffing Model: City staff are assigned productive tasks during off-peak seasons when certain equipment (e.g., litter vacuums) is not in use. Unlike contractors, who may be paid on standby or daily rates without delivering services, City staff continue contributing through value-added tasks.

Operational Versatility through Cross-Training: City staff can be cross-trained to operate multiple types of equipment, increasing operational resilience and flexibility. This rotation also helps reduce health and safety risks related to repetitive motion injuries. In contrast, the Supplier's personnel are limited to the specific tasks of operating litter vacuums under their contract with the City.

Improved Communication and Reporting: City staff are positioned to support a broader scope of responsibilities, enhancing the City's responsiveness and operational efficiency by improved communication and reporting. Direct coordination between City Supervisors and in-house staff enables faster issue resolution and real-time reporting of city cleanliness priority items of concerns including, but not limited to: poster removal, graffiti cleaning, overflowing or damaged litter bins, large-scale litter accumulation clean-up, sharps collection, abandoned/derelict bicycles removal, removal of obstructions in bike lanes and encampment clean-ups.

Support for Interdivisional Operations and Public Good Efforts: Staff contribute to a range of interdivisional efforts, including snow removal and salting, large-scale

laneway cleanups, biohazard response (e.g., sharps collection), minor debris removal and assistance to Animal Services for deceased animal removal.

Staffing and Equipment Considerations

In addition to identifying the City yard locations, other operational requirements and implementation consideration that requires further examination is labour and fleet requirements. City staff reviewed labour and fleet requirements for bringing the East and West litter vacuum operation in-house. The required number of staff and vehicles were calculated based on the number of routes in each area while considering absenteeism and spare vehicle requirements. If brought in-house, City staff would begin the vehicle procurement process in Q3 of 2025 and hiring of staff in Q4 of 2026 leading into Q1 of 2027. If the City is directed to continue to procure the East and West contract, the Request for Quotation would require posting prior to Q4 of 2025 to provide contractors enough time to procure their vehicles. Table 2 outlines the estimated number of in-house staff and vehicles required for each option.

Table 2 - Staff and Vehicle Requirements for Each Option

Option	Staff	Vehicles
East In-house	LEO: 10 permanent, 10 seasonal Total LEOs: 17.7 FTEs IDC: 1 Automotive Mechanic 2	15 litter vacuums
West In-house	LEO: 18 permanent, 7 seasonal Total LEOs: 23.4 FTEs IDC: 1 Automotive Mechanic 2	21 litter vacuums
East & West In-house	LEO: 28 permanent, 17 seasonal Total LEOs: 41.1 FTEs Supervisor: 1 permanent Supervisor IDC: 2 Automotive Mechanic 2	36 litter vacuums + 1 pickup
East & West Contracted	Supplier to provide staff and vehicles to fulfill the contractual requirements. The number of staff and litter vacuums needed by the Supplier to fulfill their contractual operational requirements are not identified by the City.	
Managed Competition	Managed Competition will require 2 additional FTE to manage the in-house contract in addition to the staff required for in-house operations	

Financial Analysis Cost Drivers

A financial consultant was engaged to provide independent third-party financial impact validation of the service delivery options for contracted litter vacuum operations. The scope of work required a financial assessment of the implications of three potential scenarios:

- **Continuing with Contracted Services:** Maintaining a contracted service agreement for managing the contracted litter vacuum area.
- **Transitioning to In-House Operations:** Bringing the litter vacuum operations that are presently contracted out under the East Contract and the West Contract in-house once they have ended. This was reviewed as three (3) options to bring in-house either the 1) East contract, 2) West contract, or 3) Both the East and West contract.
- **Implementing a Managed Competition Model:** Establishing a new City-led entity to bid on and administer the new contract.

To evaluate the financial impact of these scenarios, the financial consultant employed a structured three-step approach, including reviewing litter vacuum costing analysis from City staff, reviewing City staff's analysis in detail to identify potential gaps and inconsistencies, and providing a summary of their synthesized findings for each option. Attachment 1: Cost Drivers provides the cost drivers for each of the three options under consideration.

Financial Analysis of Service Delivery Options for Contracted Litter Vacuum Operations

To analyze the financial impacts of the potential options for contracted litter vacuum services, the City has relied on a set of key assumptions that remained consistent across all options. These assumptions are listed below:

- Cost projections are based on escalation assumptions relating to items such as cost of living adjustments, fuel costs, and capital equipment costs.
- Contracted costs are estimated based on current contracted hourly rate and inflated by 3% Consumer Price Index (CPI).
- 1.76% HST is added for applicable cost items. HST is excluded for inter-divisional costs.

To enable a consistent, comparison across all options, a standardized set of assumptions was applied throughout the analysis. Considering Suppliers utilize diesel litter vacuums City staff reviewed those costs over a five (5) year period (2027 to 2031) to compare contracted costs with in-house costs. The assumptions for the comparison Review, Analysis & Service Delivery Model Recommendations for City-Wide Mechanical Litter Removal Operations

included utilizing all diesel litter vacuums and providing service levels the same as are the current contracted service provision. The total cost over the five-year period for bringing both East and West in-house (Option 3) is \$27.932 million. This compares to an estimated \$29.712 million to continue to contract the work out which represents a cost savings of \$1.780 million. Of note, the estimated increase from the current contract to the new contract is 3.0%. During the previous RFQ and negotiation process the increase from one contract to another was on average 12.7% over the last fifteen (15) years or 27.0% over the most recent five (5) years. If costs increased similar to previous experience the estimated contract cost over the five-year period would be \$32.388 million or \$36.333 million which represent a cost savings of \$4.456 million or \$8.401 million respectively. The detailed financial analysis is in Attachment 2: Cost Comparison for Full Diesel Fleet.

To align with the City's decarbonization goals, staff explored possibilities of including electric litter vacuums into the operation. Due to the City's current yards infrastructure not being able to support the electrical capacity required for electric litter vacuums at all yards, it was identified that the West could support eight (8) electric litter vacuums with some upgrades. The additional costs associated with having eight (8) electric litter vacuums in the West over the five-year period is \$0.577 million which can be found in Attachment 3: Additional Costs for Eight (8) Electric Litter Vacuums in the West.

The total cost for bringing the litter vacuum operation in-house utilizing a full diesel fleet in the East and a combination of diesel and electric litter vacuums in the West over the five-year period is \$28.508 million. The detailed financial analysis is in Attachment 4: Cost Comparison for Diesel and Electric Combination.

Options for East and West Contracted Litter Vacuum Area for In-House Service Delivery

As part of the integrated litter program review, two approaches were identified that could bring in-house the currently contracted litter vacuum operations: via City Council direction or managed competition. Both approaches are outlined below.

Option 1: Bring Contracted Litter Vacuums In-House via City Council Direction

City Council can direct staff to bring one or both contracted litter vacuum operations in-house in the East and/or West areas of Toronto.

Option 2: Utilize a Managed Competition Process

A managed competition procurement process is a variation on a standard procurement that a municipality can use to accept bid submissions from both external bidders (private) and an in-house (public) team. In principle, managed competition is designed to drive competition to result in the most cost-effective service delivery, regardless of

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service provider. The City must be the successful bidder in order for services to be brought in-house through a managed competition process.

To understand the requirements of a managed competition procurement process, staff retained a consulting firm with expertise in procurement services. Guidelines for a managed competition procurement process were developed by the consultant. The guidelines describe the logistical requirements for a fair and transparent in-house bid submission, including the use of an in-house bid team and a third-party fairness monitor.

In comparison with the option for City Council to direct staff to bring collection services in-house, the managed competition option includes additional administrative costs for the same work. During the bidding process, substantial resources would be required for an in-house bid team, independent consultant and fairness monitor. Further, investment in fleet and other equipment would be required ahead of the submission of a bid, without a guarantee of a successful bid award. Furthermore, if the City's bid to conduct the litter vacuum operation work in-house is successful, the City would also incur other additional costs for administrative oversight and ongoing performance monitoring of the in-house contracted team. Also, if the in-house bid is successful, litter vacuum services would be performed by Solid Waste Management Services staff on a temporary contract, using City equipment procured for the contract, under a contracted services governance structure.

Jurisdictional scans of other Ontario municipalities suggest that these challenges have arisen in their experience with managed competition. Of the Ontario communities surveyed, all have either opted not to pursue managed competition before commencing the process or have transitioned away from managed competition after savings and efficiencies failed to materialize after a successful bid. Some of these communities, for example the City of Ottawa, notably, used managed competition as an alternative to contracting out service – none have used managed competition as an alternative to bringing services back in house, possibly due to the logistical issues of a successful in-house bid submission resulting in the need to acquire the assets needed to deliver the service.

A managed competition procurement process includes significant administrative burden, additional contract administration requirements, and operational limitations for the same work being performed. Therefore, SWMS staff do not advise the use of a managed competition procurement process in relations to any of the Options listed above.

Recommended Approach

Upon reviewing the options, City staff recommend bringing both the litter vacuum operation services that are presently under the East Contract and West Contract in-house once the contracts have ended and perform the work utilizing diesel litter vacuums in the East and a combination of diesel with eight (8) electric litter vacuums in the West. Given the available capacity at City yards, the ability to use positions that are

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no longer required due to EPR transition and due to the minimal capital infrastructure costs bringing the litter vacuums in-house is cost-effective re-optimization option.

Additionally, bringing the litter vacuum operation in-house will support opportunities to enhance other in-house City services, allow the City to align the litter vacuum operation with the City's TransformTO Strategy objectives, improve overall service quality since the City would be conducting litter vacuum operations for all of Toronto, and have the flexibility to provide enhanced service for public good initiatives beyond the litter vacuum scope of work by being able to redeploy SWMS litter vacuum operator staff to other areas when needed. There is also value added in redeploying staff to other tasks, allowing cost recovery rather than paying contractors for standby hours. Managing the litter vacuum operation service in-house would allow the City to have greater oversight over the service, improve response times, and be better able to integrate this service with SWMS service standards and long-term goals. It also facilitates better communication across teams, increased agility in decision-making, and more direct accountability for performance.

Adoption of this report by City Council in July 2025 will provide sufficient time for the procurement of vehicles required for the 2027 commencement date.

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SIGNATURE

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ATTACHMENTS

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Attachment 1: Cost Drivers

Attachment 2: Cost Comparison for Full Diesel Fleet

Attachment 3: Additional Costs for Eight (8) Electric Litter Vacuums in the West

Attachment 4: Cost Comparison for Diesel and Electric Combination