

CIF Project # 1075 - Collection/Processing Contract Evaluation and MRF Impact Analysis

Background

In 2018, the CIF and the City of Cornwall, hired EXP to complete an analysis of Cornwall's existing collection and processing contracts as well as produce a new RFP for all waste management services. The purpose of this project was to identify gaps and opportunities for improvement, while ensuring the City's operations were well positioned for transition to full producer responsibility.

After identifying the gaps and opportunities, the consultant was then tasked to produce a new RFP for the City of Cornwall that would:

- strengthen contractor compliance through an approval procedure and specific liquidated damages clauses;
- provide clarity with respect to tracking of inbound materials, material revenues, recovery and residue rates;
- outline requirements with respect to the utilization of existing municipal infrastructure; and
- prepare for EPR transition.

Summary of Results

In their analysis, the consultant identified that the main challenge with both collection and processing contracts was “vague” clause language limiting opportunities for municipal enforcement. The overall impact was that the City of Cornwall experienced above average collection and processing costs, when compared with other similar Ontario municipal programs.

The consultant developed Request for Proposal #18-P19: Collection, Processing and Marketing of Recyclable Material and Collection of Curbside Waste, which was posted by the City and closed on December 5, 2018. The RFP contained contract clauses that aimed to improve contract management and included EPR initiative clauses, such as cost of early termination.

Financials

The CIF approved funding of \$9,875 plus tax for this project, which was 50% of the project budget associated with Blue Box recyclables. The final cost was \$9,410. The following table outlines the tracked financial outcome of the project based on RPRA Annual Datacall submissions.

Table 1: City of Cornwall Blue Box Program Costs 2017-2019

Year	Total Collection Cost	Total Calculated Marketed Tonnes	Residential Processing Cost (Total)	Residential Processing Cost / Tonne	Total Net Cost (includes gross revenue)	Total Net Cost/Tonne
2017	\$895,774	3,110	\$703,660	\$226	\$1,321,759	\$425
2018	\$893,353	2,923	\$705,233	\$241	\$1,386,668	\$474
*2019	\$861,484	3,696	\$909,752	\$216.32	\$1,673,043	\$312.50
Change	(\$31,869)	773	\$204,519	(\$24.68)	\$286,375	(\$161.50)
Percentage Change	-4%	26%	29%	-10%	21%	-34%

12 months overall but reflects *9 months of new contract (E360 started April 1, 2019)

Learnings

The overall project goal was to reduce operating costs. Although only nine months of the new contract was operational for the 2019 total, this preliminary analysis shows the project goal is being achieved. Table 1 above suggests that the net cost/tonne is down overall by 34%. The 26% increase in marketed tonnes is likely a result of improved contract language clarifying operational requirements associated with the recovery, transportation, and revenue of materials.

Overall decreased Blue Box program costs will improve the City of Cornwall's ability to bid on collection and/or processing work under the new EPR framework. Improving cost effectiveness is important when the Blue Box programs transition to full producer responsibility if the municipality desires to compete for contracts delivery to their community starting in 2023.