SUBJECT: Transfer Station and Disposal Operations Review - Facility Working Days - (PW08059) - (City Wide)

RECOMMENDATION:
That the City’s three (3) Community Recycling Centres and three (3) Transfer Stations close on public holidays when curbside waste collection is not provided and that this change take effect on January 1, 2010.

Scott Stewart, C.E.T.
General Manager
Public Works

EXECUTIVE SUMMARY:
The City of Hamilton (City) operates three (3) Community Recycling Centres (CRCs) and three (3) Transfer Stations (TSs) six (6) days a week, fifty-two (52) weeks a year. Presently these facilities are open on most public holidays due to current operating contract provisions. The facilities close only on Christmas Day, New Year’s Day and Good Friday. The contract for the operation of these facilities expires on December 31, 2009 and a Request for Proposals (RFP) C11-40-08 has been issued for a new service provider starting on January 1, 2010.

Staff have included in the RFP specifications, a revision to the number of days that the facilities will be open each year. In addition to being closed Christmas Day, New Year’s Day and Good Friday, the facilities would now also close on the following public holidays: Family Day, Victoria Day, Canada Day, Civic Holiday, Labour Day, and
Thanksgiving starting in 2010. Waste is not collected curbside on these days therefore this change will coincide with the waste collection calendar and curbside services. The CRCs and TSs will continue to operate six (6) days per week (Monday to Saturday), from 8:00 a.m. to 6:00 p.m. The proposed change in the number of days the facilities would be open would come into effect January 1, 2010 and therefore does not affect 2008 and 2009.

Operating experience has shown that the CRCs and TSs are not well used on public holidays despite notifications in “At Your Service” informing the public they are open. Closure on these days will reduce overtime and help to manage costs for this service. The price for the reduced working days will be incorporated into the pricing obtained as part of the RFP process.

**BACKGROUND:**

The information contained within this report has City wide implications.

The current contracts for the operation of the Glanbrook Landfill, Leaf and Yard Waste Composting Facility, the three (3) TSs, the three (3) CRCs and the haulage of waste materials from TSs will end in December 2009.

In September of 2007, Waste Management staff began working on a Transfer Station and Disposal Operations Review. This review was implemented to examine best practices in the industry and to determine a preferred approach for the operation of the Transfer Stations/Community Recycling Centres including haulage and the Glanbrook Landfill and Leaf and Yard Waste Composting Facility.

As part of this review, staff identified the opportunity to reduce the number of working days. A survey was conducted of other municipalities in Ontario which demonstrates that most close on all statutory holidays and appears to be a best practice. The CRCs and TSs are currently open on a number of public holidays because of contract provisions. The expiry of the current contract represents an opportunity to revisit this practice and realize the savings.

A Request for Proposals for the provision of the transfer and disposal system services has been developed and Contract C11-40-08 was issued on May 5, 2008 and will close on June 26, 2008. The RFP includes provisions to close the CRCs and TSs to match waste collection schedules.

Reports on the process have been provided to Public Works Committee at the February 4, 2008 (PW08015) and April 14, 2008 (PW08002/FCS08032) Committee meetings.

**ANALYSIS/RATIONALE:**

The best practices review for transfer and disposal operations that was completed showed that the CRCs and TSs were under utilized on public holidays. Public traffic is lower as a result of the holidays despite notifications in “At Your Service” informing the public they are open and waste collection is not provided, eliminating a significant number of trucks from the TSs.
Table 1 outlines the 2007 usage of the CRCs and TSs on the public holidays that the facilities are currently open.

<table>
<thead>
<tr>
<th>Public Holiday</th>
<th>Visits to Community Recycling Centres &amp; Transfer Stations (figures represent car counts for all six [6] sites combined)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Holiday Customers</td>
</tr>
<tr>
<td>Family Day*</td>
<td>320</td>
</tr>
<tr>
<td>Victoria Day</td>
<td>397</td>
</tr>
<tr>
<td>Canada Day</td>
<td>272</td>
</tr>
<tr>
<td>Civic Holiday</td>
<td>284</td>
</tr>
<tr>
<td>Labour Day</td>
<td>230</td>
</tr>
<tr>
<td>Thanksgiving</td>
<td>205</td>
</tr>
</tbody>
</table>

*Note: Family day numbers from 2008. Many organizations did not have Family Day as a vacation in 2008, however, in coming years most businesses are expected to observe this holiday and the number of customers at the CRCs and TSs is expected to decrease. The numbers shown for Family Day are 2008 actuals.

With the proposed changes, the CRCs and TSs would close on: New Year’s Day, Family Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, and Christmas Day. There would be no change in operating hours and they would continue to be maintained at six (6) days per week, ten (10) hours per day, i.e. Monday to Saturday 8:00 a.m. to 6:00 p.m.

The changes in operating days would be communicated to facility users throughout 2009 and included in the 2009/2010 Waste Collection Calendar to coincide with the start of the RFP C11-40-08 on January 1, 2010.

**ALTERNATIVES FOR CONSIDERATION:**

The alternative to the recommendation contained in this report would be to continue to operate the CRCs and TSs on public holidays. This is not being recommended based on the current usage of the facilities. Changing the working days can be facilitated as part of the current RFP process and allows for competitive pricing on the specified working days. Changes in working days could be negotiated at a later date; however cost reductions would be best captured in the RFP process.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Cost savings will be realized by the new contractor through reduced overtime costs on public holidays. These revised operating days will be incorporated into the pricing provided as part of the RFP prices and therefore the actual cost impacts cannot be determined at this time. Specific budget impacts will be determined once the preferred
proponent is identified as a result of the RFP evaluation process. Presently the City pays the operating contractor an “all-in” per tonne rate for all aspects of the operating contract, therefore a cost savings based on current practice is not possible.

The potential savings from closing the facilities six (6) public holidays is estimated to be in the order of $50,000 per year. The estimate was determined based on the following:

- Predicted statutory holiday TS/CRC and haulage staff number: thirty two (32)
- Predicted statutory holiday landfill staff number: eight (8)
- Hours per day: ten (10)
- Additional statutory holidays closed: six (6)
- Hours that can be saved (straight time) per contracted staff member: sixty (60)
- Estimated average rate of pay: twenty dollars per hour ($20/hr)

Therefore estimated savings = Number of staff (40) X hours saved per staff member (60) X average rate of pay ($20/hr) = $48,000 (round to $50,000)

Additionally potential overtime costs for City staff will be saved with the closure of the sites on public holidays. Presently Waste Management Division staff are available should situations arise at the sites. Although they do not receive stand-by pay, if they are called out they receive double time and a guaranteed minimum 4 hours for all public holidays per the collective agreement with CUPE 5167.

**POLICIES AFFECTING PROPOSAL:**

**Public Works Strategic Plan**

Investigating actual pricing and best practices for the Transfer Station and Disposal Operations Review is fiscally responsible and environmentally sustainable. The best practice review will show the community that their tax dollars are being used efficiently and effectively. The Public Works Strategic Plan also strives to make Public Works a leader in the “greening” and stewardship of the City. Maximizing landfill space is environmentally and fiscally responsible.

**Solid Waste Management Master Plan (SWMMP)**

The recommendation to investigate actual pricing and to review best practices for the Transfer Station and Disposal Operations Review upholds SWMMP Recommendation #2 which states:

“The Glanbrook Landfill is a valuable resource, and the City of Hamilton must optimize the use of its disposal capacity to ensure that there is a disposal site for Hamilton’s residual materials that cannot be otherwise diverted”.

**RELEVANT CONSULTATION:**

Staffs from Legal Services and Corporate Services have been advising on the RFP Process. The Solid Waste Management Master Plan Steering Committee and the Waste Reduction Task Force were also consulted.
CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
By reviewing best practices and examining actual costs the community can be assured that their tax dollars are being used effectively.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Examining Best Practices contributes to a Greener City.

Economic Well-Being is enhanced. ☑ Yes ☐ No
The recommendations in this report reflect fiscal responsibility.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

There is value to the community, the environment and the City’s financial position in the recommendations.

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No
Staff working at and supporting the Community Recycling Centres and Transfer Stations will benefit by a better work-life balance and spending time with their families on public holidays.