

MANAGEMENT REPORT

Date: March 25, 2024
To: Mayor and Council
From: Adam Ryan, Manager of Public Works
Report Number: COU24-029
Attachments: None

Title: Source Separated Organic Processing Agreement

Objective: To renew the processing of source separated organics with StormFisher Environmental Ltd. for up to two additional years.

Background: In 2020, Council awarded the competitive bid for source separated organics processing with StormFisher Environmental Ltd., to enable the City to proceed with Green Bin collection services. In 2022, Council agreed to extend the contract for an additional two years, subject to successful contract performance and that the annual contract costs be based on inflation only. As this last contract extension is nearing its term, StormFisher has agreed to honour the 2020 competitive bid pricing with inflationary increase only for an additional two years. The proposed renewal period would commence on the 1st day of April, 2024, and contain the following key considerations:

1. The City, for the duration of the renewal period, shall pay to StormFisher, in accordance with section 3.1, the updated base processing fee as it reflects the consumer price index change from the commencement of the original 2020 agreement.
2. If the original agreement is renewed for any additional year beyond the renewal period, the base processing fee will be adjusted annually by mutual agreement, including in accordance with a consumer price index that will be applied to the subsequent year based on the consumer price index of Canada. All items as published by statistics Canada for the most recent year ending March 30.

Analysis: StormFisher has successfully implemented this service contract since its inception in 2020 and has fit well into Stratford's longstanding waste collections service contracts that are set to expire in 2026. With the proposed changes to the Blue Box Collections program, how waste collections services are facilitated in Stratford will

require an extensive review and adjustments. Staff intend to begin public outreach to discuss future collections services in the Fall of 2024.

It is for these reasons that Staff are recommending that the agreement be renewed for a one-year term from April 1, 2024 to March 31, 2025. Further, staff are recommending an option to renew the contract for an additional one year period from April 1, 2025 to March 31, 2026 be approved, subject to approval by the Director of Infrastructure Services.

Financial Implications:

Financial impact to current year operating budget:

The quoted processing cost for 2024 is \$100.39 per tonne. At an estimated 1,300 tonnes of collected material per year, Staff estimate a total annual service cost at \$147,472.91 including HST, or \$132,725.60 after partial HST rebate.

The 2024 budget for the collection and processing of source separated organics was for a total of \$525,500 (\$130,000 for processing and \$395,000 for collection) but this will be assessed later in the year as the collection costs are also realized. It is expected that the 2024 budget is sufficient for processing and collection.

Financial impact on future year operating budget:

The estimated total annual service is \$147,472.91 including HST, or \$132,725.60 after partial HST rebate for the term of the contract. If an extension is granted after that period, the CPI adjustment would apply.

Alignment with Strategic Priorities:

Developing our Resources

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

Alignment with One Planet Principles:

Material and Products

Using materials from sustainable sources and promoting products which help people reduce consumption.

Zero Waste

Reducing consumption, reusing and recycling to achieve zero waste and zero pollution.

Staff Recommendation: THAT the Mayor and Clerk, or their respective delegates, be authorized to execute the Addendum Agreement for the processing of source separated organics with StormFisher Environmental Ltd. for a one year period from April 1, 2024 to March 31, 2025, at a cost of \$100.39/tonne not including HST;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to execute a further renewal agreement for the processing of source separated organics with StormFisher Environmental Ltd. for a one-year period from April 1, 2025 to March 31, 2026, subject to the Director of Infrastructure Services approval of the CPI and satisfactory contract performance.

Prepared by:

Adam Ryan, Manager of Public Works

Recommended by:

Taylor Crinklaw, Director of Infrastructure Services

Joan Thomson, Chief Administrative Officer