

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: SCRD Board – December 14, 2023

AUTHOR: Marc Sole, Manager, Solid Waste Services

SUBJECT: 2035009 SALISH ENVIRONMENTAL GROUP INC. GREEN WASTE CONTAINER AND HAULING SERVICES – CONTRACT EXTENSION

RECOMMENDATION(S)

- (1) **THAT the report titled 2035009 Salish Environmental Group Inc. Green Waste Container and Hauling Services – Contract Extension be received for information;**
 - (2) **AND THAT the Sunshine Coast Regional District extend the existing contract with Salish Environmental Group Inc. to provide green waste container and hauling services up to a maximum of one year and a value of up to \$489,695 (excluding GST);**
 - (3) **AND THAT the delegated authorities be authorized to execute the contract;**
 - (4) **AND FURTHER THAT staff prepare a comprehensive overview report on all contracts related to the Green Waste Service by Q2 2024.**
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BACKGROUND

The Sunshine Coast Regional District (SCRD) currently provides a green waste recycling program with drop-off locations at the Pender Harbour Transfer Station, South Coast Green Waste Depot, and Salish Soils' facility in Sechelt.

In 2020 the SCRD entered into an agreement with Salish Environmental Group Inc. (Salish) to provide the containers and transportation services to haul green waste from the Pender Harbour Transfer Station and South Coast Green Waste Depot to their composting facility in Sechelt. The current contract for these services with Salish expires on December 31, 2023, and a recommendation is proposed to extend the agreement by one year, as permitted in the contract.

DISCUSSION

Options and Analyses

The table below provides an overview of the tonnage of green waste received at the three green waste depot locations over the past four years.

Table 1: Summary of green waste tonnage

	South Coast Green Depot	Salish Soils	Pender Harbour Transfer Station	TOTAL
2020	2,307	2,388	540	5,235
2021	2,300	2,241	418	4,959
2022	2,280	2,197	511	4,988
2023	2,050*	2,182*	443*	4,675*
TOTAL	8,937	9,008	1,912	19,857

*Tonnage estimated for November and December 2023.

The tonnage collected across all three drop-off locations indicates that this service is consistently used by the public year over year. As the population of the Sunshine Coast grows and contract costs increase over time, the cost to provide this service will continue to climb.

The South Coast Green Waste Depot is located on land leased from the Town of Gibsons and operated by the same contractor that is currently responsible for the hauling of the green waste for processing. The contract to operate this facility is expiring in Q4 2024 and could be extended for up to two years. Due to the increased costs for the contractor to operate this facility, staff anticipate the contractor to propose a substantial pricing increase for any contract extensions.

In 2020 the Board confirmed that it would like to continue having a green-waste depot located at the South Coast, funded by taxation. At that time staff prepared [this report](#) for the Board's consideration, which was presented to the Board at the July 16, 2020 Infrastructure Services Committee meeting.

As the cost to operate the green waste service and in particular at the South Coast depot is continuing to increase, staff suggest preparing a comprehensive report for the Board's consideration comparable with the one presented on July 16, 2022. Such a comprehensive review of this service would supplement the review process of all solid waste services currently underway as part of the Solid Waste Management Update project. Any direction received following this report would guide any potential further extensions to the green waste hauling and South Coast Green Waste Depot site operations contracts.

Financial Implications

Salish is requesting increases in their current pricing. Contract costs are based on the number of loads transported from each drop-off site as a cost per haul and are summarized in Table 2.

Table 2: Salish Environmental Group Inc. contract cost summary

Original Contract	Approved Budget	Contract Costs
Year 1	\$88,729	\$100,624
Year 2	\$91,300	\$133,989
Year 3	\$141,300	\$125,082*
Total	\$321,329	\$359,695
Contract Extensions		
Year 4: January 1, 2024 to December 31, 2024		\$130,000*
Total		\$130,000*
Total 4 Year Contract Value		\$489,695*

*Costs estimated based on current number of hauls from drop-off locations.

Green waste container and hauling services are primarily funded from taxation, with a small amount funded from tipping fees for large residential and commercial loads delivered to the Pender Harbour Transfer Station.

The current approved annual budget for this contract is \$133,085. Years one through two of this contract exceeded the allotted budget, as shown in Table 1. These amounts can be absorbed within the existing solid waste budget, should the Board choose to extend this contract. Extending the contract at the updated contract value of \$489,695 will ensure that the overage in year one and two is accounted for in the budget.

STRATEGIC PLAN AND RELATED POLICIES

This service supports the Solid Waste Management Plan's target of 65% - 69% diversion by providing a recycling option for green waste.

CONCLUSION

Staff recommend extending the contract for green waste container and hauling services with Salish Environmental Group Inc. for an amount not to exceed \$489,695.

Staff also recommend that a comprehensive overview report on all contracts related to the Green Waste Service be prepared by Q2 2024. Such a report could support the Board in decisions related to future contracts related to the green waste service.

Reviewed:			
Manager		CFO/Finance	X – T.Perreault
GM	X - R. Rosenboom	Legislative	
CAO	X – D. McKinley	Purchasing	X – V. Cropp