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Council-In-Committee Meeting – July 08, 2025

Subject: Award of EIS-ES-25-08 Curbside Waste Collection 2026-2033
Report Number: EIS-25-025
Division: Public Works
Department: Environmental Services
Ward: All Wards
Purpose: For Decision

Recommendation(s):

That Report EIS-25-025, Award of EIS-ES-25-08 Curbside Waste Collection 2026-2033 be received as information; and

That the Chief Administrative Officer be authorized to execute a contract with Norfolk Disposal Services Ltd for RFP EIS-ES-25-08 Curbside Waste Collection 2026-2033; and

That an allocation of \$1,016,500 be included as a Council Approved Initiative (CAI) in the Proposed 2026 Levy Operating Budget to reflect the award of curbside collection, transfer & haulage, and disposal for all programs, to be funded by an approximate increase of 0.8% to the net levy requirement; and

That an allocation of \$5,029,000 be included as a Council Approved Initiative (CAI) in the Proposed 2026 Levy Operating Budget to reflect the estimated one-time cost of procuring carts for an automated service delivery, to be fully funded by excess investment income earned in 2024, resulting in a 0.0% impact to the net levy requirement; and further

That an allocation of \$2,759,100 be included as a Council Approved Initiative (CAI) in the Proposed 2027 Levy Operating Budget to reflect the award of curbside collection, transfer & haulage, and disposal for all programs.

Executive Summary:

The purpose of this report is to advise Council of the results of Request for Proposal (RFP) EIS-ES-25-08, Curbside Waste Collection and recommend award of the contract to Norfolk Disposal Services Ltd.

The current curbside waste collection contract will expire in September 2026. In preparation for awarding a new contract, Waste Management staff consulted with

Council, completed financial analysis and gathered input from residents to evaluate both current and future waste programs. Based on this feedback, staff presented recommendations to Council in September 2024. Council approved the launch of a county-wide green bin program, the expansion of yard waste collection to additional hamlet areas, and a reduction in the residential waste bag limit to two bags per week. Council also supported choosing the most cost-effective waste collection method, whether manual or automated, and whether collected weekly or bi-weekly.

Following Council's approved direction, Request for Proposal (RFP) EIS-ES-25-08 was developed to invite proponents to submit proposals and pricing for curbside waste collection services. The RFP closed on June 17, 2025. The successful proponent was selected based on a comprehensive evaluation of their proposal and submitted pricing.

The successful proponent is Norfolk Disposal Services Ltd. Their proposal included automated bi-weekly garbage collection, automated weekly green bin collection, 14 weeks of expanded yard waste collection, public space garbage container collection and monthly bulky item appointment-based collection. Therefore, staff are recommending that the Chief Administrative Officer be authorized to execute a contract with Norfolk Disposal Services Ltd.

Discussions:

Background

In 2024, Waste Management staff presented a series of reports to Council outlining various waste management initiatives. As part of the process, staff engaged with the community through public engagement sessions and a survey to gather feedback on both current services and potential future programs. A waste audit was also conducted examining the contents of the residential garbage stream. The waste audit determined that the garbage stream for both rural and urban residents was comprised of 42 – 46% organic waste that could be diverted from landfill. Based on the public engagement input, waste audit data, financial analysis and current challenges in the waste sector, Council approved several program changes in September 2024, including an expanded yard waste program, the launch of a county-wide curbside green bin program, and a reduction in the residential bag limit to two bags per property for manual based collection. These new initiatives are scheduled to begin in September 2026 as the current curbside waste collection contract expires.

Earlier this year, the contract for processing yard waste and green bin waste was approved by Council and awarded to TRY Recycling and Generate Resource Recovery, respectively. The award of the Curbside Waste Collection contract is the second part of the procurement process for waste collection services later in 2026.

Market Conditions

In 2021, Norfolk County engaged Stratzer, a team of environmental consultants, to support financial modeling and assess market trends for curbside waste collection. Together with Waste Management staff, Stratzer consulted with various municipalities to better understand industry trends and rising costs. Feedback indicated that curbside collection costs were increasing significantly, driven by factors such as labour shortages, inflation, and the rising cost of waste collection vehicles.

Neighbouring municipalities that recently awarded new waste collection contracts have experienced significant price increases compared to their previous agreements. Two municipalities that maintained the same level of service experienced an 87% and 85% increase in costs. Another municipality, had it kept its existing service model, would have faced a 132% increase. Instead, by adjusting its collection program, the increase was reduced to 94%. Subsequently, Norfolk County also experienced substantial increases in pricing for curbside collection, with the lowest bid received in the range of 85%-90% higher than the previous contract's pricing.

Results for EIS-ES-25-08

Request for Proposal, EIS-ES-25-08, Curbside Waste Collection, closed on June 17, 2025. Proponents were evaluated on their proposals and submitted pricing. Proponents submitted proposals and pricing by selecting one of the four (4) curbside collection options which included manual or automated collection, weekly or bi-weekly garbage collection and weekly green bin collection. A total of one (1) proposal was received and evaluated. The contract is for a seven (7) year term with an additional three (3), one-year extensions.

A total of eight (8) waste management companies obtained the bid documents for the curbside collection contract, indicating initial interest. However, four of these proponents later confirmed that they would not be submitting a proposal. The primary reason cited was their inability to compete effectively, either due to current market conditions, resource limitations, or pricing challenges. This feedback reflects the broader industry pressures noted throughout the procurement process, including increased operational costs, labour shortages, and the rising cost of equipment, which have made it more difficult for some companies to submit competitive bids.

Norfolk Disposal Services Ltd was the successful lowest price per point proponent. The lowest priced scenario was automated bi-weekly garbage collection and automated weekly green bin collection. The contract also includes expanded yard waste collection for additional hamlets for 14 weeks of collection, public space garbage collection and monthly bulky item appointment-based collection.

Next Steps

Following the award of the curbside collection contract, Norfolk Disposal Services Ltd must quickly procure a new fleet of collection vehicles to avoid delays in the production of waste collection vehicles and to meet the contract start date.

Waste Management staff will procure garbage carts, green bin carts, and coordinate with the successful proponent to ensure their distribution throughout Norfolk County. Additionally, staff will procure a marketing firm to develop advertisements, promotional content, educational materials, and other assets to support the launch of the new waste collection program in September 2026. The Waste Management By-law also requires revision and Council approval to incorporate provisions for cart-based collection and the implementation of the new green bin program.

Financial Services Comments:

Garbage Material

The Approved 2025 Levy Operating Budget includes an allocation of up to \$145 per tonne for the collection of garbage material, which represents approximately \$2,091,000 on an annual basis. In Report EIS-24-068 Curbside Waste Collection Program – Final Recommendations presented at the September 10th, 2024 CIC meeting, it was estimated the budget could increase to \$154 per tonne, based on renegotiated rates from 2023 with an additional incremental increase on that rate.

The bid amount of \$254.13 per tonne from Norfolk Disposal Services Limited, was not within this estimate, so the budget for garbage collection will need to increase in the Proposed 2026 Levy Operating Budget, if approved. The quoted price per tonne may be subject to inflationary increases in future years of the contract term.

In accordance with the Purchasing Policy, the lowest bid among the four scenarios is staff's recommendation, which corresponded to a bi-weekly automated garbage collection model. To evaluate the manual vs automated scenarios fairly despite the carts not being included in the RFP, the estimated annual amortized cost of carts was added to the automated scenarios. Automated collection still resulted in a lower price per point in all cases. The resulting bids for the other scenarios are summarized in Table 1. For reference, \$136,400 is approximately 0.1% of the net levy requirement.

Table 1: Garbage Material Scenarios

	Bid per Tonne	Recommended Budget based on Bid ²	Difference Compared to Staff Recommendation	
			\$	%
Weekly Manual Garbage & Weekly Automated Green Bin	\$325.40	\$4,504,700	\$963,200	27%
Weekly Automated Garbage & Weekly Automated Green Bin	\$273.47	\$3,802,800	\$261,300	7%
Bi-Weekly Manual Garbage & Weekly Automated Green Bin	\$307.28	\$4,259,800	\$718,300	20%
Bi-Weekly Automated Garbage & Weekly Automated Green Bin ¹	\$254.13	\$3,541,500	-	-

¹ Lowest bid and staff recommendation

² Fuel escalation estimates are fixed, so recommended budget may not be proportionate to bid per tonne.

The quoted prices per tonne may be subject to inflationary increases in future years of the contract term, however if the staff recommendation is approved, then based on the other assumptions used in September's estimate to Council, this could result in an increase of approximately \$1,828,800 (1.3% of the net levy requirement) for the first full year of the contract. Table 2 summarizes the program.

Table 2: Garbage Material Estimates and Actuals

	Approved 2025 Levy Operating Budget	Report EIS-24-068 Estimate	Recommended Budget based on Bid	Net Levy Increase / (Decrease)
Collection	\$2,091,000	\$3,100,000	\$3,541,500	\$1,450,500
Transfer & Haulage ¹	\$778,600	\$900,000	\$830,400	\$51,800
Disposal ¹	\$841,800	\$1,000,000	\$897,800	\$56,000
Garbage Carts ²	-	\$330,000	-	-
Lifecycle Costing of Garbage Carts	-	\$270,000	\$270,000	\$270,000
Total	\$3,711,400	\$5,600,000	\$5,539,700	\$1,828,800

¹ Marginally lower inflation has been observed since estimates calculated, resulting in lower T&H and Disposal expected now than previously estimated despite these components not being re-tendered

² The estimated one-time cost for cart purchases were originally amortized over the course of the contract; since estimates calculated a one-time funding source was identified that will negate net levy requirement impacts, if approved

It should be noted this bid only represents the collection, transfer & haulage, and disposal components of the garbage service. If the staff recommendation is approved, a future tender for the garbage carts will be forthcoming. As disclosed in Report CS-25-092 2024 Audited Financial Statements, also presented at the July 8th, 2025 Council Meeting, Legacy Fund performance exceeded thresholds in 2024 and as a result special withdrawals were made in accordance with policy to maximize value. Staff have recommended some of those funds be used to fund the provision of garbage carts, mitigating any impacts to the net levy requirement from the future tender, assuming bids received are within a reasonable range of the estimated costs.

Green Bin Material

The Approved 2025 Levy Operating Budget does not include an allocation for the collection or transfer & haulage of green bin material. However, in accordance with previous Report EIS-24-068, Council approved the implementation of a green bin program. The estimate disclosed to Council (pertaining to the collection plus transfer & haulage plus processing components) was up to \$740 per tonne, which could represent approximately \$4,100,000 on an annual basis.

Based on the processing component previously awarded via EIS-ES-25-01 and the bid amount of \$254.13 per tonne for collection and \$42.25 per tonne for transfer & haulage from Norfolk Disposal Services Limited, this amount could be considered endorsed by

Council's previous resolution and incorporated into the Proposed 2026 Levy Operating Budget and future levy operating budgets.

It should be noted that the frequency and service delivery model of collection also affects the collection rate for the green bin program according to the bid received. For reference, \$136,400 is approximately 0.1% of the net levy requirement. Table 3 summarizes the impacts of the other scenarios.

Table 3: Green Bin Scenarios

	Bid per Tonne	Recommended Budget based on Bid ²	Difference Compared to Staff Recommendation	
			\$	%
Weekly Manual Garbage & Weekly Automated Green Bin	\$325.40	\$1,377,000	\$278,400	25%
Weekly Automated Garbage & Weekly Automated Green Bin	\$273.47	\$1,174,200	\$75,600	7%
Bi-Weekly Manual Garbage & Weekly Automated Green Bin	\$307.28	\$1,306,200	\$207,600	19%
Bi-Weekly Automated Garbage & Weekly Automated Green Bin ¹	\$254.13	\$1,098,600	-	-

¹ Lowest bid and staff recommendation

² Fuel escalation estimates are fixed, so recommended budget may not be proportionate to bid per tonne.

The quoted prices per tonne may be subject to inflationary increases in future years of the contract term, however if the staff recommendation is approved, then based on the other assumptions used in September's estimate to Council, this could result in an increase of approximately \$1,778,000 (1.3% of the net levy requirement) for the first full year of the contract. Table 4 summarizes the program.

Table 4: Green Bin Estimates and Actuals

	Approved 2025 Levy Operating Budget	Report EIS-24-068 Estimate	Recommended Budget based on Bid	Net Levy Increase / (Decrease)
Collection	-	\$2,800,000	\$1,098,600	\$1,098,800
Transfer & Haulage	-	\$400,000	\$164,900	\$164,900
Disposal ¹	-	\$450,000	\$304,500	\$304,500
Green Bin Carts ²	-	\$240,000	-	-
Lifecycle Costing of Green Bin Carts	-	\$210,000	\$210,000	\$210,000
Total	-	\$4,100,000	\$1,778,000	\$1,778,000

¹ Previously awarded via Report EIS-25-011 at the April 8th, 2025 Council Meeting

² The estimated one-time cost for cart purchases were originally amortized over the course of the contract; since estimates calculated a one-time funding source was identified that will negate net levy requirement impacts, if approved

It should be noted this bid only represents the collection, transfer & haulage, and disposal components of the green bin material service. A future tender for the green bins themselves will be forthcoming. As disclosed in Report CS-25-092, Legacy Fund performance exceeded thresholds in 2024 and as a result special withdrawals were

made in accordance with policy to maximize value. Staff have recommended some of those funds be used to fund the provision of green bin carts, mitigating any impacts to the net levy requirement from the future tender, assuming bids received are within a reasonable range of the estimated costs.

Leaf and Yard Waste

The Approved 2025 Levy Operating Budget includes an allocation of up to \$185 per tonne for the collection of leaf and yard waste material, which represents approximately \$267,700 on an annual basis. In previous Report EIS-24-068, it was estimated the budget (pertaining to the collection plus transfer and haulage plus processing components) could increase to \$335 per tonne.

Based on the processing component previously awarded via EIS-ES-25-01 and the bid amount of \$246.09 per tonne for collection and \$30.94 per tonne for transfer & haulage Norfolk Disposal Services Limited, this amount could be considered endorsed by Council's previous resolution and incorporated into the Proposed 2026 Levy Operating Budget and future levy operating budgets. The quoted prices per tonne may be subject to inflationary increases in future years of the contract term, however based on the other assumptions used in September's estimate to Council, this could result in an increase of approximately \$171,600 (0.1% of the net levy requirement) for the first full year of the contract. Table 5 summarizes the program.

Table 5: Leaf and Yard Waste Estimates and Actuals

	Approved 2025 Levy Operating Budget	Report EIS- 24-068 Estimate	Recommended Budget based on Bid	Net Levy Increase / (Decrease)
Collection	\$267,700	\$400,000	\$420,600	\$152,900
Transfer & Haulage	N/A	\$200,000	\$76,200	\$76,200
Disposal ¹	\$128,700	\$200,000	\$71,200	(\$57,500)
Total	\$396,400	\$800,000	\$568,000	\$171,600

¹ Previously awarded via Report EIS-25-011 at the April 8th, 2025 Council Meeting

Bulky Item Program

The Approved 2025 Levy Operating Budget includes an allocation of up to \$312 per tonne for the collection of bulky items, which represents approximately \$16,300 on an annual basis. In the previous Report, EIS-24-068, it was estimated the budget could increase to \$332 per tonne.

Based on the bid amount of \$261.65 per tonne from Norfolk Disposal Services Limited, there is sufficient budget to accommodate the bid. The quoted prices per tonne may be subject to inflationary increases in future years of the contract term, however based on the other assumptions used in September's estimate to Council, this could result in an increase of approximately \$6,000 (0.0% of the net levy requirement) for the first full year of the contract. Table 6 summarizes the program.

Table 6: Bulky Item Estimates and Actuals

	Approved 2025 Levy Operating Budget	Report EIS-24-068 Estimate	Recommended Budget based on Bid	Net Levy Increase / (Decrease)
Collection	\$16,300	\$25,000	\$18,300	\$2,000
Transfer & Haulage ¹	\$2,700	\$5,000	\$4,200	\$1,500
Disposal ¹	\$3,000	\$5,000	\$4,400	\$1,400
Revenues ²	(\$16,200)	(\$16,000)	(\$15,100)	\$1,100
Total	\$5,800	\$19,000	\$11,800	\$6,000

¹ Marginally lower inflation has been observed since estimates calculated, resulting in lower T&H and Disposal expected now than previously estimated despite these components not being re-tendered

² Assuming current user fee of \$40.00 per appointment remains in place

Public Space Garbage Containers

The Approved 2025 Levy Operating Budget includes an allocation of up to \$767 per weekly collection of all public space garbage containers, which represents approximately \$79,800 on an annual basis. In the previous Report EIS-24-068, it was estimated the budget could increase to \$1,819 per weekly collection of all containers.

Based on the bid amount of \$848.44 per weekly collection of all containers from Norfolk Disposal Services Limited, this amount could be considered endorsed by Council's previous resolution and incorporated into the Proposed 2026 Levy Operating Budget and future levy operating budgets. The quoted prices per weekly collection of all containers may be subject to inflationary increases in future years of the contract term, however based on the other assumptions used in September's estimate to Council, this could result in a decrease of approximately \$8,300 (-0.0% of the net levy requirement) for the first full year of the contract.

Summary

In previous Report EIS-24-068, staff estimated that the recommended service levels could result in a program cost of up to \$10,735,000, which would equate to an increase to the net levy requirement of 4.7% if it were budgeted immediately. Based on the bids received for all components of the programs, if approved, staff would estimate a \$7,985,700 budget should be carried for the first full year of the program, which would equate to an approximate increase of 2.8% to the net levy requirement, or \$3,775,600 as summarized by program in Table 7 below:

Table 7: Summary of Estimates and Actuals

	Approved 2025 Levy Operating Budget	Report EIS-24-068 Estimate	Recommended Budget based on Bid	Net Levy Increase / (Decrease)
Garbage	\$3,711,400	\$5,600,000	\$5,539,700	\$1,828,300
Green Bin Program	-	\$4,100,000	\$1,778,000	\$1,778,000
Leaf & Yard	\$396,400	\$800,000	\$568,000	\$171,600
Bulky Item	\$5,800	\$35,000	\$11,800	\$6,000
Public Space Garbage Containers	\$96,500	\$200,000	\$88,200	(\$8,300)
Total	\$4,210,100	\$10,735,000	\$7,985,700	\$3,775,600

Overall, the tender results for all components of four of the five services were favourable compared to the estimates provided to Council when the waste management contract renewal analysis was presented, and as a whole, the sum of the five programs were well below the estimated amount. Although an increase will still be required to the net levy requirement, as has been signaled in previous reports to Council for multiple years, the County has deferred this impact as long as possible by locking in favourable rates ten years ago and extending the contract as long as permitted. The large escalation of costs also seems to be in range of other recent municipal tenders for similar services, likely indicating macro factors outside of Norfolk's control are affecting pricing, such as declining landfill supply, a lack of suppliers in the marketplace, changing technology, adapting Provincial Policy Statements, and / or the effect of tariffs on the capital costs of prospective bidders procuring waste collection vehicles.

As the curbside contract renewal is structured to start in September 2026, the first full year of service will run over two calendar years (only effective for the last 14 weeks in 2026). For clarity, there are no budget amendments recommended for 2025, nor will the contract results affect the operating surplus / deficit in 2025. However, this does allow the County to phase in the impacts over two years. As a result, a Council Approved Initiative of \$1,016,500 should be included in the Proposed 2026 Levy Operating budget, equivalent to an increase of approximately 0.8% to the net levy requirement. Furthermore, a Council Approved Initiative of \$2,759,100 should be included in the Proposed 2027 Levy Operating Budget. As a percentage, the impact on the 2027 net levy requirement cannot be determined until the 2026 Levy Operating Budget is ratified, however it is likely it will be slightly less than 2.0%.

Finally, next steps include tendering the green bin carts, and garbage carts, if the staff recommendation is approved. Due to excess investment income generated by the Legacy Fund and pursuant to GP-25 Legacy Fund Policy, one-time funds have been made available for this future purchase rather than funding from the tax levy. A Council Approved Initiative of \$5,029,000 should be included in the Proposed 2026 Levy Operating Budget to reflect this, although the aforementioned funding will offset the costs resulting in a 0.0% impact to the net levy requirement.

Interdepartmental Implications:

Purchasing Services

Purchasing Services has reviewed the report and advises that the Request for Proposal EIS-ES-25-08 for Curbside Waste Collection 2026-2033 was developed and issued in accordance with the Norfolk County Purchasing Policy and Procedures. The recommended proponent has been proposed based on having submitted the lowest price per point that meets the minimum specifications as outlined in Norfolk County Policy CS-02, Purchasing Policy Section 4.5.

Consultation(s):

Corporate Services (Purchasing Services and Finance) were consulted on the preparation of this report.

Strategic Plan Linkage:

This report aligns with the 2022-2026 Council Strategic Priority Sustaining Norfolk - Creating a sustainable community and a positive legacy.

Explanation: Waste collection serves all single-family homes on a weekly schedule. Residents depend on waste management services to efficiently remove and divert their waste. Programs such as yard waste collection and green bins help reduce landfill use by turning organic material into compost, which returns valuable nutrients to the soil.

Attachment(s):

Attachment 'A' – RFP Pre-established Criteria and Weighting

Approval:

Approved By:
Al Meneses, Chief Administrative Officer

Reviewed By:
Andrew Grice, General Manager, Public Works
Stephanie Davis, Director, Environmental Services

Prepared By:
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