

New agreement for waste collection, focus on further reducing emissions

(Penticton, BC – February 2, 2024) – Council is being asked to amend the financial plan from 2025 onwards to allow for a new waste collection agreement that will run until 2032.

“The City of Penticton partnered with the Regional District of Okanagan Similkameen and neighbouring south Okanagan communities on a regional RFP for waste collection services to leverage economies of scale and take advantage of efficiencies with vehicle procurement and route design,” says David Kassian, the City’s sustainability supervisor. “The proposed agreement will not see any significant service changes for Penticton residents, will provide a seamless transition when the new contract takes effect, and will help with the continued implementation of the Community Climate Action Plan.”

The current contract expires on June 30, 2025 and Kassian notes that part of the lead time is to allow for the successful contractor to procure new collection vehicles, which can take up to 18 months. The City is proposing to sign the agreement with the current provider, Waste Connections of Canada.

Highlights of the contract include:

- The contract term will run from July 1, 2025 to June 30, 2032
- The collection fleet will change in truck construction from a split body (2 compartments) truck to single packer (1 compartment) trucks. The purpose of this change is to minimize contamination of the recycling, yard waste, and future mixed food and yard waste streams.
- Secured pricing to adjust service levels to accommodate the introduction of Mixed Food and Yard Waste collection without the requirement to renegotiate pricing.

“The measures proposed by the top ranked proponent will reduce fuel usage, which reduces the amount of greenhouse gases generated by their collection fleet,” says Kassian. “The collection contract also allows for the future transition to food waste collection. Food waste in Penticton is currently mixed in the garbage waste stream, and landfilled. Upon commissioning of the future RDOS compost facility, timing yet to be determined, food waste will be composted instead of landfilled as recommended in the City’s Community Climate Action Plan, which is anticipated to reduce emissions by up to 20,000 tonnes per year with full implementation.”

The estimated annual collection cost is expected to be approximately \$1,370,000 when the current contract expires next year. The estimated annual cost of the new Agreement when it commences is \$1,580,000. These are both estimates as both contracts allow for a TCPI increase for 2024, which will not be known until early 2025. This equates to a roughly 16% increase, or \$210,000, relative to what is currently budgeted for future years in the 2024-2028 Financial Plan, which is why Council’s approval is being sought.

The current annual user fees for curbside collection properties are \$193, and \$36 for multifamily properties, and this report has no implications to the 2024 fees and charges. Kassian's report notes that an increase in collection costs will not necessarily equate to the same increase in user fees, as the user fees also include tipping/disposal fees and other revenues/expenses. Fees and charges for 2025 will be brought forward later this fall.

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