

## ***Facts about Solid Waste Services***

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The fact is, according to most reputable studies, that solid waste services delivered by municipal employees are comparable in cost and efficiency to privately contracted services. There is no consistent evidence showing that contracted-out private sector waste collection is less costly and more efficient than waste collection provided by public employees. This is confirmed by recent evidence in Ontario.

- The fact is that over half of the population of Ontario has their garbage collected by municipal employees. Most households in Toronto, eighteen percent of households in Ottawa, half of households in Hamilton, all of the households in Windsor, London, Sudbury, Oshawa, Guelph, Kingston, Sault Ste Marie, Peterborough are served by public employees.
- The fact is that the Ontario Municipal CAO's Benchmarking Initiative (OMBI) shows that in 2008 Toronto's costs per tonne for garbage collection were below the average of Ontario's major cities, despite the fact that Toronto has one of the highest rates of diversion from landfill, and diversion more expensive than regular garbage disposal.<sup>1</sup>

- In 2006 the City of Ottawa brought solid waste services (garbage and blue box) back in house – “contracted in” – for one of its 6 “zones”. The City Auditors’ report shows that, compared to the private bids, in 3 years the City saved \$3,807,170 in just one of six zones. The 2009 Auditors’ report attributed the savings using public employees to:

“route optimization, managing labour costs and the benefits of a new fleet [*reduced maintenance costs*].

Overall, the financial performance for the second year of the operation reflects continued operational efficiencies, and the productivity of dedicated and experienced staff.”<sup>2</sup>

- The City of Hamilton, since amalgamation, has its own employees collecting garbage in half the city and private contractors in the other half. The city’s operation has consistently been more economically efficient than the contractor’s, even though city employees serve the older downtown section of the city. Service complaints were the same. One big difference is that the City bears the cost of placing

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<sup>1</sup> See pp 77-80  
<http://www.ombi.ca/docs/db2file.asp?fileid=212>

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<sup>2</sup> City of Ottawa, Deputy City Manager, Infrastructure Services and Community Sustainability, report to the Planning and Environment Committee, February 01 2010 (ACS2010-ICS-ESD-0005).

injured workers in other positions when they cannot work on the trucks anymore, while the private contractor does not.<sup>3</sup>

The City of Hamilton report also notes several concerns with the option of 100% private waste collection service, including:

- *Concern of loss of control of program and inability to make adjustments to service levels without experiencing increase costs or unwillingness by the contractor to amend service provision;*
- *Need for contracts to be clear and concise with respect to consequences for failure to provide service and other related concerns (i.e. late calls, discourteous behaviour, etc.)*
- *Benefits may not outweigh costs in the long-term.*
- *Loss of in-house expertise.*<sup>4</sup>
- The fact is, a cross-Canada survey of residential recycling programs found that contracting out to a private company doesn't mean that the service will be more economical or efficient.<sup>5</sup>
- Contracting out garbage services means that municipalities lose control and flexibility for implementing new waste diversion programs like recycling and composting. Contractors earn more money collecting and disposing of more garbage, not less.

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<sup>3</sup> City of Hamilton Public Works Department, Activity Based Costing/ Waste Collection Services W04113 – City Wide, September 22, 2004.

<sup>4</sup> Ibid.

<sup>5</sup> James C. McDavid & Annette E. Mueller. "A cross-Canada analysis of the efficiency of residential recycling services", Canadian Public Administration, Volume 51, Issue 4. December 2008.

## Cities are "Keeping It Public"

There isn't a one-way trend toward privatizing solid waste operations. There are municipalities who have brought solid waste services back in house, and municipalities who have decided against contracting out. Here are some examples:

- Ottawa and Hamilton have mixed systems, as described above.
- Toronto, in 2006, brought former City of York garbage and recycling back in house without any additional cost to its operations. This was achieved by working with CUPE to rearrange schedules and routes so that the additional area could be serviced with existing staff and trucks and saved the city \$4 million.
- Port Moody, British Columbia, 2008, brought solid waste and recycling services back in house after 10 years of private service. The contractor provided such poor service and the city had to send municipal employees out to clean up their mess and missed pick-ups every week.
- Peterborough, 2008/2009 decided not to contract out solid waste and recycling.
- Skeena Queen Charlotte Regional District (SQCRD) directors voted to keep their garbage service public after considering contracting out in 2009.