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**CUPE Local 500**

**Speaking Notes Submitted to**  
**City Council**

**Re: RE-ESTABLISHMENT OF SOLID  
WASTE COLLECTION SERVICES BY  
THE CITY OF WINNIPEG**

**CUPE** / *Canadian Union  
of Public Employees*  
**Local 500**

November 14, 2012

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Re-establishment of solid waste collection services - City of Winnipeg

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CUPE welcomes the opportunity to present our views regarding this important matter before you today. We are appearing before Council in opposition of the recommendation to receive the motion of October 24 as information and wish to focus our presentation on a number of key areas.

Firstly, we wish to state that there is significant evidence and convincing arguments in favour of re-establishing solid waste collection services within the Public Service. We believe that returning to a mixed model of public and private delivery will improve services, provide cost savings and help keep the industry in check in terms of providing a competitive atmosphere between service providers.

**Historical overview:**

In April 2004, City Council adopted a resolution that directed the Administration to prepare a Business Plan consistent with the Collective Agreement and Alternate Service Delivery (ASD) process related to the provision of solid waste collection services. In August 2004, CUPE Local 500 was invited to participate in the ASD Business Planning process and did so, on various committees that were formed.

Throughout the entire business planning process, the Union worked with the city to identify internal efficiencies and cost cutting measures for the manual collection operations. However, none of the efficiencies identified were ever implemented.

In May 2005, the Administration of the Water & Waste Department produced a final Business Plan that recommended the contracting-out of all solid waste collection in the City of Winnipeg. In July 2005, the Business Plan and recommendations were agreed to by the ASD Committee and subsequently approved by EPC and City Council in July, 2005.

The Union contends that the savings identified in the 2005 Solid Waste Collection Business Plan have never materialized and that the contracted service has resulted in higher costs to the citizens of Winnipeg.

Time and time again, the Union has asked the city to conduct an external audit of solid waste collection services to identify what, if any, costs savings have been realized since the service was contracted out. The citizens of Winnipeg have a right to know if the contracting out of this service has and will actually save them money.

Further, on October 19, 2011, City Council adopted a new Garbage and Recycling Master Plan, resulting in the removal of the AutoBin system and implementation of a city-wide automated cart collection system of garbage and recyclables effective October 1, 2012.

During the first ten days of this service, 5,400 complaints were received by the city regarding a number of service and performance deficiencies of the private contractor. It was also recently reported that the 311 contact centre received 11,383 calls regarding missed garbage collection and 13,500 calls regarding missed recycling collection up to November 6 of this year. Historically, this is an extensive number of complaints for the City of Winnipeg.

We believe that seeking legal advice on what can be done if penalties to the private contractor do not result in improved service, is in the best interest of the citizens of Winnipeg. We also encourage Council to direct City Administration to provide a report on how other cities benchmark the performance of their contracted waste collection services. We believe this information would be of value to members of Council.

**Public delivery is more cost-effective:**

Private companies must make a profit to exist, and therefore, they try to reduce costs and minimize effort to stay commercially viable. These demands make it inherently difficult, if not impossible to deliver quality services better than a government run operation, where services must respond to multiple public demands.

Many studies and examples from across the country show that there is no cost advantage to private delivery of garbage collection and recycling services. Throughout Canada, a number of municipalities have had difficulties with private companies and have brought garbage and recycling services back in-house.

Port Moody (B.C).for example, switched back to public garbage collection in 2008 after a failed, 10-years of private service. The city had to send public crews to follow the private trucks and clean up the mess they left on the streets. In North Vancouver, City Council decided to make garbage pick-up a public service again after the contractor kept increasing its fees. The City of Grand Forks, British Columbia also brought its solid waste and recycling collection back in-house in 2009.

In both Saint John (N.B.) and Sherbrooke (Q.C.), all garbage collection services were brought back in-house saving taxpayers \$500,000 and \$750,000 a year.

Since 2000, City of Hamilton employees have collected garbage in half the city, and a private contractor in the other half. The city's in-house operation has consistently been more economically efficient than the contractor's, with the publicly delivered solid waste services costing \$1.15 less per household than the private service.

### *Greater financial risks and higher monitoring costs*

There are also higher financial risks in maintaining a contracted out service. The City of Ottawa for example, contracted out part of its residential garbage pick-up to the company Exel. The company paid low wages to its staff, experienced high turnover rates and failed to meet service requirements. Eventually, the company defaulted on its contract and the city had to pay high premiums for other private contractors to finish the work. The city ended up bringing the work back in-house and saved nearly \$5 million over four years.

Costs for monitoring and enforcing contracts with private companies are costly and represent considerable staff time and resources.

### **Public control and political accountability:**

Public administration is the most open and transparent method of delivering public services. The city's decision making ability is compromised when the city has no control over the service delivery. With public management and delivery, the city and council can respond to residents' concerns or issues and has the flexibility to deal with changing circumstances and changing public priorities.

With privatized service, any changes to a contract would mean additional costs to renegotiate different service delivery expectations.

**Conclusion:**

Municipal solid waste services are fundamental to the quality of life in our community. 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. In fact, there is strong evidence that the cost of private sector waste collection increases at a much faster rate than in-house collection costs. Initial cost savings from privatization soon tend to evaporate as private sector costs increase at a more rapid rate.

In closing, the residents of Winnipeg want value and services for their tax dollars. We believe that since this service was contracted out, it has resulted in higher costs and deteriorated service. As indicated at the outset of our presentation, the Union believes that returning this service to a mixed model, minimally a 50/50 split, would prove more cost effective and would assure long-term stability of service to our city and its citizens. We therefore recommend that Council adopt the motion of October 24 to re-establish solid waste collection services within the City of Winnipeg.

Thank you.

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### **Additional Resources/Detailed Reports:**

- ✓ CUPE/Toby Sanger report: Garbage In, Garbage out: the real costs of solid waste collection
- ✓ CUPE facts about solid waste services  
[http://cupe.ca/updir/Facts\\_about\\_Solid\\_Waste\\_Services\\_06apr10\\_FINALE2 %282%29 %282%29.pdf](http://cupe.ca/updir/Facts_about_Solid_Waste_Services_06apr10_FINALE2%29%29.pdf)
- ✓ CUPE: Create clean, green, cities  
<http://cupe.ca/municipalities/public-works-best-solid-waste>



# Garbage pickup woes added to mound of 311 complaints

BY JOYANNE PURSAGA , WINNIPEG SUN

FIRST POSTED: WEDNESDAY, NOVEMBER 07, 2012 08:19 PM CST | UPDATED: THURSDAY, NOVEMBER 08, 2012 08:31 AM CST

System is garbage: Residents

IMAGE: 1 OF 4



**Anybody know what day garbage day is? Picture submitted by Darcy and Melanie Jones, Oct. 15, 2012.**

Weeks of garbage pickup delays added up to a mound of complaints for 311 this year, driving overall service requests up.

The city's 311 service received 1,235 missed garbage and recycling complaints between Nov. 2 and Nov. 6 alone, up from 57 during the same period last year, according to the city's website. These complaints could be matched with fines of \$100 to \$500 against the company.

Mayor Sam Katz said it's clear now that preparations fell short of what was needed for the new trash collection system.

"There's no doubt in my mind that the city, working with Emterra, could have done a little more due diligence and everybody could have been more prepared for the changeover," said Katz. "That hopefully could have prevented a lot of the grief and aggravation many citizens went through."

The mayor previously revealed the city was reviewing Emterra's contract and considering fines to cope with service delays. But the mayor said the situation finally seems to be improving.

"In the last week, we've hardly had any complaints," he said.

Katz credited 311 for increasing public awareness of the problems and helping get them addressed.

Michelle Bailey, a city spokeswoman, said some hike in collection complaints should have been expected with an entirely new garbage system.

"Obviously garbage and recycling is a hot issue because we have this new program in place, there's a learning curve involved," she said.



Up to Nov. 6, there were 24,883 missed garbage and recycle complaints in 2012, almost four times the 5,180 complaints received during the same stretch of 2011.

An interview request for the city's solid waste manager was not granted by deadline Wednesday.

Coun. Brian Mayes, who once said he was inundated with calls about garbage issues, said he's seen recent improvement.

"I think we mishandled yard waste. Otherwise, the system certainly seems to be getting better," he said.

Many Winnipeggers agree garbage collection is improving but aren't as convinced 311 is the best reporting method.

Jason Hancheruk called 311 three times in three days while waiting 18 days between recycle pickups.

"It's good to talk to someone immediately. But, at the end of the day, they don't have the authority or power to help you for the most part," said Hancheruk, who noted calls had to be referred beyond the operator.

**COMPLAINTS THROUGH NOV. 6, COMPARED WITH  
LAST YEAR**

TYPES OF COMPLAINTS	2012	2011	DIFFERENCE
Autobin overflowing	2026	2206	-8%
Boulevard mowing	334	276	21%
Cankerworm complaint	45	48	-6%
Dog complaint	1395	39	3474%
Frozen catch basin	733	2047	-64%
Graffiti	1451	1273	14%
Litter container complaint	252	359	-30%
Missed garbage collection	11383	2693	322%
Missed recycling collection	13500	2484	443%
Mosquito complaint	21	20	5%
Potholes	3970	4265	-7%
Sanding	465	720	-35%
Sewer backup	502	319	57%
Sidewalk repairs	1233	1205	2%
Snow removal — roads	720	4024	-82%
Snow removal — sidewalks	260	963	-73%
Derelict building complaint	70	128	-45%
Water main leak	1784	1235	44%
<b>TOTAL</b>	<b>40144</b>	<b>24308</b>	<b>65%</b>