7 Verbatim Comments – June 26, 2019 Workshop

7.1 Workshop: Attachment 4 – Cost Impact for Alternative Service Delivery

Safety studies in private sector have different findings (more safe than public)
Contradictory report (in general) – speak to private being safer and more cost effective – but then recommends City do the same as current
Doesn't have to be a tradeoff of cost/ safety/ environment/ service level
1. Perspective that report was written to support conclusions. East to test (lots of conditional language). Have an RFP – let private bid – then look at submissions. Numbers in executive summary – facts provided have way too much variance and are not specific. Some parts a 'check the box' element.
Many reasonable aspects of the report except all the 'could' or 'should' – that challenges the recommendations.
6% reduction – already very inefficient so this was probably not hard to achieve
Current model was not efficient so finding 6% was not hard to accomplish
Current operations weren't efficient to start with
Estimates at the savings are badly quoted – savings would be more like 20% not 2%
Most cities tack on 15%
Program doesn't cost what residents pay
Real savings much more than 2%
City numbers would never win a private bid ever
Airdrie – 12-15% less – less than 1/10 the size – economies of scale would private 'sharpen their pencils' – equal or greater than 15% - more like 25%
Nimbleness of private sector vs. City – lack of nimbleness in Government
Will there be other engagement opportunities? **Question from group
Industry wasn't privy to cost to run shop – confidence level of report low – are HR costs included? (e.g. unused vacation days) – Employee costs not fully considered in report – 1 example of many – need more details on cost comparison
Are worker compensations costs included? – Fleet replacement costs? Maintenance costs?
Using an average – pool – garbage trucks
True cost accounting of the actual service line business – private sector has to do this – if quote wrong feel the pain
Benefits – private – investment in property and investment in community and pay taxes – City doesn't here - City would get additional tax revenue
Need level playing field – full cost accounting
Cost benefits of private vs City
Desire to include written submissions from Industry for engagement
Smaller companies couldn't be here today
Want more engagement opportunities
1 year before council – new info could come October
Facts not all included within this report like private sector would have to include if did an RFP
Hours – are trucks full or not? Extent until full not specific hours
Overtime – if extend to 10 hours? It's regular day for collectors
If collecting Monday and Saturday then not business friendly as that's private sector space

Could cut number of fleets
Usual to work Mon – Friday
Workers not burning out – operating automated machines
Collection days work 5 instead of 4 – being more efficient and can reduce the number of trucks
CNG trucks are a good idea and based on analysis of private sector – this is efficient
Recommends 1-5 all based on current private sector
Report states operate like private but don't go private = frustrating!
Report contradicts itself
Bargaining with unions prevents discussion of private sector implementation
If report was more realistic would help have realistic conversation with council
What was the real intention behind the report?
Private as efficient and safe but have more savings
Other cities switching to private
Why was this consultant hired to write this report? Section 1.1.1.4 misleading
Were the two third party options based in Canada?
Basing 5% truck cost saving – 5-7 year vehicle turn over aunderestimate of truck lifecycle
Does WRS have its own repair shop, or is it just taken out of the City's overall fleet repair budget? $'s are for residential collection only.
Do we know what type of company was in the Winnipeg model? Is there more detail on the infrastructure the company had? o Is there more info on the contract they signed?
Concerns on establishing costs of labour as no one knows how the economy will turn. City doesn't have more insight than anyone else
Overall, report was well written, objectivity was strong
Is 3-1-1 the point of contact for residents with service concerns?
Or would the concerns go direct to the private hauler?
How often are disruptions in service reported?
Like to think driver would deal with disruption (e.g. moving tree branch) appropriately
How did we measure safety record/measures of the City versus private industry?
I.R.A.T.E a Industry measure for safety.

7.2 Workshop: Attachment 3 – Industry Scan and Strategic Analysis

Just observations
Presents false opposition between higher service standards, truck ergonomics, customer experience – idea that can't achieve in private sector not true – incident rates between public vs private similar – sets a false premise
Pg. 10 – 1.14 – that's the story/ image that decisions makers see
Edmonton contracts out 2/3 – satisfaction rates are similar
Edmonton – private had 'grace' of public for errors for % of missed pickups – private still had less errors and issues
Environment/ customer service stated as weak in report for private – not true – not a qualitative/ strategic analysis and not backed up by other reports or other recommendations – subjective reflections – not strategic analysis
Reality is 'on the street' – report making up as they go along
Bigger 'stick' when working with contractor vs in house

Set standards higher for private vs public = erodes trust in private
E.g. Environmental 1.1.1.4 Chart – Industry performing higher than the City (red section)
Private running a lower carbon footprint currently yet rated 'weak'
Cart maintenance – don't have any good study on this
Different suppliers – each has own merits
If city has expectations on this put within RFP – set the stage
Multifamily collection is open market – city can compete in this as well
Pg. 19/2 – concluded that public sector typically wins these bids – then states the opposite in terms private being able to save cost/ operate cheap – 2nd paragraph and bottom section don't jive/ contradict each other "large municipalities …." Then "The C.D….."
So many details to comment stakeholder want another opportunity to comment on specific sections – want open for 3 months
Frustration with 'sloppy work' in the report
Why taking a year to get presented back to council?
1.7.1 – Industry company dynamics – speaks to ethics of private sector – nothing in report supports this – disregards role of competition – extremely competitive – not many 'real' barrier to enter – many little guys in the industry – [personally identifying information removed] made business of buying little guys
Pg. 9 à how was it determined that the public sector + private sector "weakly" aligned?
If the private sector has higher standards, is that actually "weakly aligned"?
Pg. 8 – how was this determined? If a private sector is weak, they'll lost the contract.
Assumptions that if private sector "fails," the City has to return to providing the service. How was that assumption reached?
Have to have history of contractors that are bidding for contracts – it's not all price, other factors are important.
Report doesn't cover all of what a private hauler can bring to the table on standards + customer service.
Fines are often part of private contracts with haulers.
With private sector – new tech can be brought in faster
What time frame would the City have to adopt new technologies? Does the City look at 1 yr.? 5 yrs.? 10 yrs.?
How far in advance does the City forecast + budget for new tech adoption?
Private can add/adapt to new tech faster, which report identifies, but report needs more detail around this work.
It boils down to accountability – private companies have shareholders, image to uphold. Public only has taxpayer and not as accountable.
Report doesn't address impact of private brand on how a private company operates.
Hard to put a dollar value in a report on brand recognition
New contracts are motivators for private companies
Effectively, private company's reputation precedes them for contracts
The citizen satisfaction survey would still capture if a hauler was doing the job
Mixed model with multiple private + public operations can provide good competition and better results.
What are the determining factor of a 7-8 yr. contract?
Need to depreciate the vehicles as that's the lifespan of a truck.

7.3 Workshop: Attachment 2 – Efficiency and Effectiveness

Where is the private sector here?
Private not willing to share, but RFP would give this info – could compare – can set expectations for safety/ cost/ etc.
Could still compare efficiencies without costs
Do actuals for 2019 match the projected numbers? - is recycling and storage included in that?
City is already using private sector for composting and recycling – why not contract the collection?
Use to justify why using these services – but why not collection
Report not backing up their own findings
Is a draft engagement report going to be available? Yes
Re submitting the exact same report without addendums – private would not support this – does not deliver an objective evaluation of merit
If truly objective to change/ move, then it is not of value as is
Put out RFP for true evaluation
Pg. 8 – costs for mixed model – If managing 1 contract, 1 RFP, this makes less admin costs/ work to manage
Less vendor managing not more than public sector
Less HR managing than would be for private
Currently City can't manage the 1 current one
Yet can for organics/ recycling
Contract out hard stuff, keep the easy rev driving
Private will match safety and environment yet do it cheaper
Some private operate CNG while public don't
Procurement – just stat CNG and bids will be CNG – could achieve 100% - if want it to ask for it and get it
Document current incidents and put in RFP desired stuff and will achieve that
Report doesn't have baseline of current operations
Private industry doesn't agree with overall tone of the report – extreme frustration
1.2.4.1 – pickup per collection – absurd number here – any of these vendors would take this business saying the cost are absurdly high (per pickup)
Best value is not just money – also safety / reliability and structure that into the RFP
Attachment 2 – if just collection or does include processing?
Education and comms were not included where as private in RFP it would he included and put in the RFP
Comparison tables – not apples to apples – should separate out – this would lend to better comparison
Referencing Airdrie / Cochrane – communities smaller/ cheaper – YYC didn't include comms and education costs while Airdrie / Cochrane did – not a fair comparison
Safety # makes sense (pg. 9)
What % of overall in N.A. for private/public/mixed for collection?
How many were looked at?
Move everything to automated/mass collection – a private company would just continue the automated collection.
Cities like Vancouver do different streams of pickups etc. which will take longer
A standardized automated system will look good against more manual pickups
What are the methods the other municipalities using for pickup?
This impacts safety + wage costs – faster pickups, no driver pickup garbage
What is the comparison of missed pickups between municipalities and how long have we been recording?

Why was it a missed pickup – was it actually missed or what was the actual issue?
Is the model that used private haulers (mixed or total) all cities and how is a “missed” pickup recorded/reported, would 3-1-1 have the point of contact within the private hauler to deal with customer issues?
Landfills/processing plants – can haulers use a different site or are they forced to use City facilities?
This has an impact on time, environmental issues.
Routes can be based on location of processing sites which could be more efficient.
This could be a potential opportunity for efficiency + savings in the future.
Do we measure productivity? What are those measures?

7.4 Workshop: Attachment 5 – Benchmarking and Performance Measurement

Citing comparison without providing data and making recommendation – many examples of private being able to provide this - can be asked for this data
Service levels can be asked to municipalities who hire private to provide data
Pg. 3 #3 o The benchmarks can be simplified by private companies o Less administration towards benchmarks o Private companies would have simple performance matrices instead of difficult benchmarks currently used
Pg. 4 o Private sector will also manage staff retention, and also does employee surveys o Does City measure retention/turnover for staff? o Private companies have info for WRS to compare data with on turnover/retention o Staff turnover + satisfaction is shared in annual reports, but City can send info out. o Benchmarking on diversion – would be examined + put into contract o Are there stats on putting out replacement vehicles/driver if a vehicle breaks down?
Should be added to baseline
How quickly can the City deal with this?

7.5 Workshop: Attachment 1 – 2018 Residential Collection Services Review Summary

The report tends to lean to the public
Productivity measures how are they evaluated? Performance measures
Accountability around efficiency, private are more accountable.
How does the City deal with performance issues
Doesn’t believe that employee satisfaction rates aren’t accurate, isn’t different between City/private staff
Private sector – leadership is held accountable for turnover + satisfaction rate
Always potential for public service disruption
How were private haulers invited to session?

8 Verbatim Comments – Online Survey

8.1 Attachment 4 – Cost Impact for Alternative Service Delivery

8.1.1 What do you support and/or agree with?

The idea that the City will derive savings from contracting out all or a portion of the collection services.
I agree with the recommendations of the consultant.

8.1.2 What are your concerns?

"The report badly underestimated the amount of savings that are likely. Furthermore, the report acknowledges the potential for savings but does not list it as a recommended action. There is a false dichotomy presented that is summarized in a balance beam with safety, the environment, and customer experience on one side, and price on the other. And then the report concludes that the City will provide the best safety, environmental benefit and customer service. This is provably false. Numerous non-partisan studies have shown that industry meets or *actually has less* incidents per 100 man-hours than Municipal employees. Particularly in the area of injuries related to low back and neck pain and claims. Furthermore, Industry (meaning many major waste companies within Calgary) *have already switched to using CNG trucks* which have a much LOWER carbon footprint than conventional diesel. Given this study is assessing collection work, I cannot think of a better indicator of environmental fitness than the carbon footprint of the operation. And Industry is *provably the MORE environmentally conscious in this regard*. Finally, the study cites claims of missed collections at 3-4 calls per 10,000 service stops. This standard is routinely met by Industry. For example, Strathcona County has records going back 8 years on this point and it has been continually found in the City of Edmonton where 2/3 of the service is contracted out that the contracted areas have no higher claims of missed collections historically. Industry does *all of this* at a price *much lower* than the City of Calgary currently charges residents."
Moving to a mixed model would not provide enough benefit for the risk.

8.1.3 What new information would you like The City to know?

As per above, Industry can provide the same or better standards of safety, environment and customer experience for a lower price. And that balancing one against the other is actually a false premise as in today's world, many times being safer and more environmentally conscious *is cheaper*. (lower WCB rates, lower cost of CNG fuel, etc. etc.)

8.2 Attachment 3 – Industry Scan and Strategic Analysis

8.2.1 What do you support and/or agree with?

The premise of appraising the quality of the overall system through the aspects of: safety, environment, customer experience, and cost.

8.2.2 What are your concerns?

"Table 1.1.1.4 summarizes how biased this study is. Private industry utilizes CNG trucks increasingly and on the road everyday in Calgary and the City only utilizes diesel trucks with perhaps a few 'pilot' CNG units and yet industry is marked as 'WEAK' and the City as 'MODERATE' for Environmental.

What is the criteria? Where is the data?

Furthermore, numerous studies have shown that private industry operates equipment as safely or *more safely* by the standard of injuries or incidents per 100 man-hours than Municipal fleets. So to rank Industry as 'WEAK' is again totally, provably, false.

And the same for customer experience. As measured by the standard of 3-4 claims of missed collections per 10,000 service stops by the City -- this standard is very easy to match or do better than."

8.2.3 What new information would you like The City to know?

That Industry can operate a residential collection fleet to the same or better standard in terms of customer experience, safety and the environment as the City Fleet.

8.3 Attachment 2 – Efficiency and Effectiveness

8.3.1 What do you support and/or agree with?

"Many of the ideas here are sound. Matching shift hours to actual practical collection outcomes. Collecting 5 days per week... as most of the taxpayers must typically work 5 days per week... it's a no brainer.

I want to point out that all these 'efficiency' suggestions are merely copied from what the private contractors already do."

8.3.2 What are your concerns?

The general idea that somehow the City can duplicate what Industry does and get more efficiency... it is simply better to contract to Industry, and that will yield cost savings greater than what the City realizes in savings by attempting to duplicate Industry.

8.3.3 What new information would you like The City to know?

That in much of cases, when Cities contract out they have better outcomes. Eg. Toronto, etc.

8.4 Attachment 5 – Benchmarking and Performance Measurement

8.4.1 What do you support and/or agree with?

The metrics used to justify the different areas of analysis seem to make sense, for example, using missed collections per scheduled service and response time to benchmark Customer Experience

8.4.2 What are your concerns?

"Industry can meet or exceed all of these standards, and can be demonstrably shown to be already.

A response time of 2 days (1.8 days average) to a missed service call request is actually POOR. Most contracts specify same day and at latest next day!"

8.4.3 What new information would you like The City to know?

That the benchmarks indicated are reasonable, but that the City's own performance is not special or particular or noteworthy in its merit.

8.5 Attachment 1 – 2018 Residential Collection Services Review Summary

8.5.1 What do you support and/or agree with?

Some of the benchmarks or efficiency suggestions make sense

8.5.2 What are your concerns?

"The false dichotomy of customer experience, safety and the environment on one hand, and cost on the other is untrue. Firstly, being safer and more environmentally friendly is often the cheaper path (lower WCB, lower retraining/reintegration of injured workforce, lower cost of CNG fuel etc etc).

Secondly, Industry already meets or exceeds the standards that are achieved by the City and are appraised as 'Moderate' or 'Strong' by the report and yet 'Weak' by industry. And these assertions are not backed with facts. It is essentially an opinion piece badly biased to the City service."

8.5.3 What new information would you like The City to know?

That Industry can provide the same or better customer experience, safety and environment measures for a much lower price than indicated in this report.