



# **PUT OR PAY AGREEMENTS CONSULTATION FEEDBACK REPORT**

January 2010

For more information on this survey, please contact:

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## **EXECUTIVE SUMMARY**

In October 2009, City Council considered a report recommending that the Solid Waste By-law be amended to allow the City of Winnipeg to set up legal agreements with haulers of high volumes of commercial garbage and other municipalities.

Council referred the report back to the Standing Policy Committee on Infrastructure Renewal and Public Works with instructions that industry be consulted.

Most haulers felt that the recommendation would impact their business a lot.

Haulers were also split with their level of satisfaction of service at Brady Road, leaving a significant proportion dissatisfied with current service.

## **1.0 BACKGROUND AND METHODOLOGY**

A feedback form was administered at an information session that was held on January 11, 2010. The objective of the feedback form was to capture stakeholders' opinions of the proposed Put or Pay Agreements.

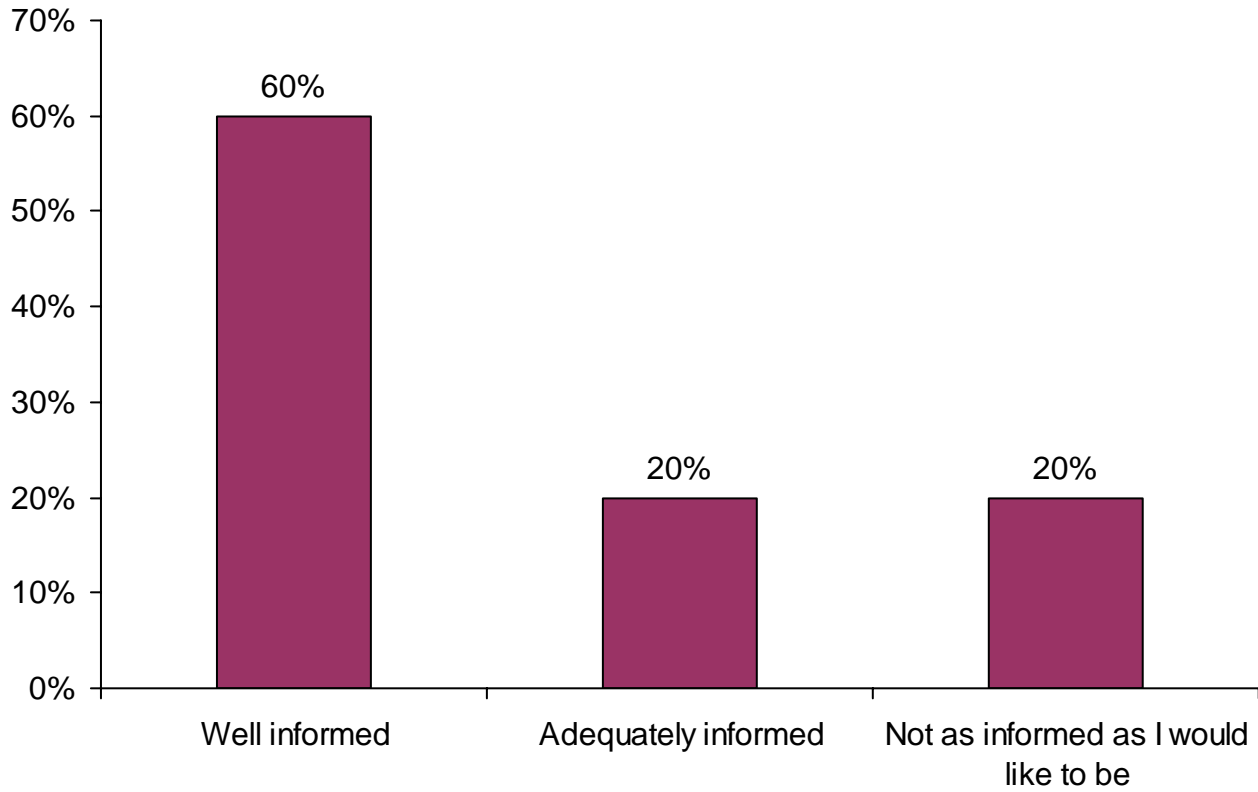
There were 36 haulers of commercial garbage that were invited to the information session, of which 15 companies attended. 5 surveys were returned, resulting in an overall response rate of 33%. Results of the survey are accurate with  $\pm 37$  percentage points, 19 times out of 20, and only represent companies who attended the information session.

## 2.0 RESEARCH RESULTS

### 2.1 Understanding of Information Presented

Most (60%) haulers were well informed about the recommendation.

*“How informed do you feel about the recommendation presented?” (n=5)\**

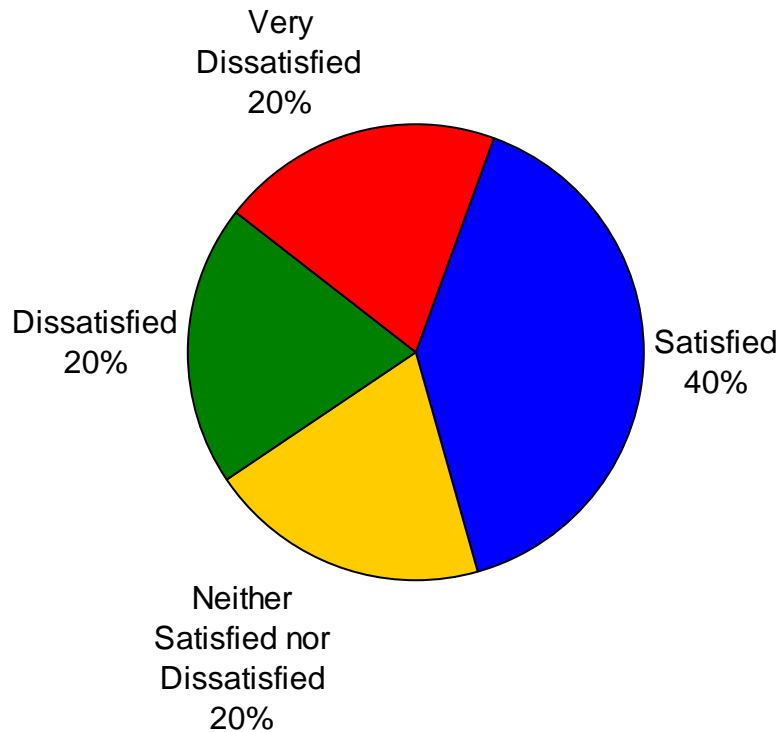


\* n represents the number of responses received for that question

## 2.2 Satisfaction with Current Service at Brady Road Landfill

Haulers are split with their level of satisfaction at Brady Road. Only 40% are satisfied, 20% are dissatisfied and 20% are very dissatisfied. 20% were neutral, while no one was very satisfied.

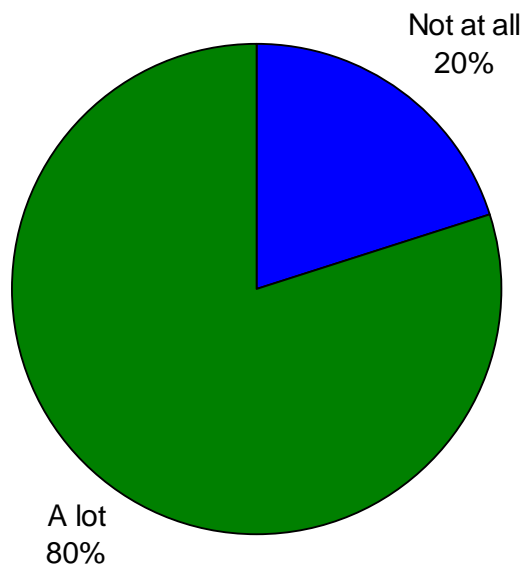
*“Overall, how satisfied are you with the current service at Brady Road Landfill?” (n=5)*



## 2.3 Impact of Recommendation

Haulers have polarized opinions on how the recommendation would impact their business. Most (80%) felt that the recommendation would impact them a lot, while 20% felt it wouldn't impact them at all. No one felt it would impact them a little or somewhat.

*"How much do you expect the recommendation to impact your business?" (n=5)*



## 2.4 Additional Comments

Some additional comments were provided:

- “Think long-term 3rd generation recycling and energy plant, beyond making money, but creating JOBS and saving valuable Canadian resources.”
- “Clean-out is necessary for me to bring it to your dump.”
- “This proposal is only going to help the 2 large haulers which don't need any help.”
- “Darryl’s presentation was very good, still however, I don't think the majority of the people in the room understood that the concept of "put or pay" volume discount. BFI enjoys the lowest commercial landfill rates in Winnipeg and uses them to compete very aggressively both for City of Winnipeg residential contracts and commercial business. For the long term commercial viability of JWM and possibly WM it is extremely important that some form of volume discount be made available in order to somewhat level the commercial playing field.

**APPENDIX A**

**FEEDBACK FORM**



Water and Waste Department

**PUT OR PAY AGREEMENTS CONSULTATION FEEDBACK FORM**

Name of Company (optional): \_\_\_\_\_

1. Overall, how satisfied are you with the current service at Brady Road Landfill?

		Neither		
Very Satisfied	Satisfied	Satisfied nor	Dissatisfied	Very
		Dissatisfied	Dissatisfied	Dissatisfied
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. How informed do you feel about the recommendation presented?

Well informed	Adequately informed	Not as informed as I would like to be
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. How much do you expect the recommendation to impact your business?

Not at all	A little	Somewhat	A lot
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please let us know any other comments you have:

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If you would like to speak with someone about your concerns, please give your contact information.

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

**Thank you for participating.**

Please return survey to: Tiffany Skomro; c/o City of Winnipeg Water and Waste Dept.; 112-1199 Pacific Ave.; Winnipeg, MB; R3E 3S8; Fax 986-3745; e-mail: [tskomro@winnipeg.ca](mailto:tskomro@winnipeg.ca)

**APPENDIX B**

**INVITATION LETTER**



Water and Waste Department • Service des eaux et des déchets

December 23, 2009

Attention: Haulers of Commercial Garbage

On October 28, 2009, City Council considered our report recommending that the Solid Waste By-law be amended to allow us to set up legal agreements with haulers of high volumes of commercial garbage and other municipalities.

Council referred the report back to the Standing Policy Committee on Infrastructure Renewal and Public Works with instructions that our department consult with industry.

Under the agreement (called Put or Pay), haulers would:

- receive a reduced tipping fee,
- haul a predetermined additional weight of garbage to the Brady Road Landfill, and
- be required to pay the total contract price even if they don't haul the volume of garbage outlined in the agreement.

The purpose of this initiative is to remain competitive with other landfills and sustain or build the revenue generated at the Brady Road Landfill.

### **You are invited to our industry consultation**

We invite you or a representative of your company to an information session on the Put or Pay Agreement. There will be an opportunity for you to comment on the recommendation. We will include your feedback in our report to City Council for consideration in March 2010.

**Date:** Monday, January 11, 2010

**Location:** Canad Inns Polo Park, Room K, 1405 St. Matthews Avenue, Winnipeg

**Registration and coffee:** 3:00 p.m. - 3:30 p.m.

**Presentation:** 3:30 p.m. - 4:00 p.m.

**Question and answer period:** 4:00 p.m. - 5:00 p.m.

To confirm your attendance, please contact Sherry Richardson **by January 7, 2010**, by phone at 986-5311 or by email at [srichardson@winnipeg.ca](mailto:srichardson@winnipeg.ca)

*see over*

If you cannot attend the session, you can give us your comments **by Monday, January 11, 2010**:

- by email at [wwdfeedback@winnipeg.ca](mailto:wwdfeedback@winnipeg.ca), or
- by mail to 109-1199 Pacific Avenue, Winnipeg MB, R3E 3S8, Attention: Put or Pay Consultation, Solid Waste Division

You can see the report at [winnipeg.ca/waterandwaste/garbage/projects](http://winnipeg.ca/waterandwaste/garbage/projects)

If you have any questions about the information session or the report, please contact Darryl Drohomerski, Manager of Solid Waste Services, by phone at 986-4484 or by email at [ddrohomerski@winnipeg.ca](mailto:ddrohomerski@winnipeg.ca)

We hope to see you there.

## **APPENDIX C**

### **LETTER FROM CONCERNED STAKEHOLDERS**

TO: CITY OF WINNIPEG, WASTE AND WATER DEPARTMENT

RE: PUT OR PAY PROPOSAL

I oppose the proposed amendment to the Solid Waste By-law recommended by the department which would allow the department to set up legal agreements (called Put or Pay) with haulers of high volumes of commercial garbage and other municipalities.

My opposition is based on the following:

- The proposed change represents a radical shift in the business of commercial hauling of garbage.
- Smaller commercial haulers have been able to develop their businesses in large part because the current tipping fee represents a level playing field with respect to one of the major costs involved in operating such a business. The tipping fee is the same whether you are a large commercial hauler or a small commercial hauler.
- Smaller commercial haulers do not have the ability to haul high volumes of commercial garbage and therefore would not be able to receive the discount which large commercial haulers would receive.
- In addition, I would not be in a position to “pay up front” as would be required under the Put or Pay agreement.
- A reduction in the tipping fee to large commercial haulers would allow them to pass on the savings to customers thereby making the large hauler more competitive.
- My small business would simply not be able to compete with the large commercial haulers if they receive the benefit of a preferential tipping fee based on volume. Accordingly, my business will suffer and will likely not survive.

January 11, 2010

\_\_\_\_\_ [signed by multiple haulers]

## **APPENDIX D**

### **LIST OF ATTENDEES**

## **LIST OF PUT OR PAY AGREEMENTS CONSULTATION ATTENDEES**

1. BFI
2. Klippenstein Hauling
3. Haulright
4. Monk Goodwin
5. Branko Demolition & Disposal
6. Industrial Container Service
7. Omar's Bobcat & Containers
8. Johnson Waste
9. Greensite Recycling
10. Ace Disposal
11. Bristol Hauling
12. Waste Management
13. Kincade Trucking
14. Mr Garbage
15. Versatech Industries