



**The Corporation of the  
City of Sault Ste. Marie**

**C O U N C I L   R E P O R T**

March 23, 2026

TO: Mayor Matthew Shoemaker and Members of City Council  
AUTHOR: Tom Vair, CAO  
DEPARTMENT: Chief Administrative Officer  
RE: Landfill and Composting Operations RFP

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**Purpose**

The purpose of this report is to seek Council approval to develop and issue an RFP seeking a proponent to undertake landfill operations, landfill expansion (new cell development and mining), and the construction and operations of a composting facility for bio-solids and single-source organics.

**Background**

The City was approached by Green for Life Environmental (GFL) with a proposal to:

- 1) Purchase all current and future landfill airspace, with the City keeping ownership of the land, and negotiate with the City a royalty payable by GFL to the City per metric ton of inbound municipal solid waste received at the Site. GFL would be responsible for all future capital investments and construction costs associated with the landfill, and would take over landfill operations, as well as environmental compliance and regulatory requirements. The City would be charged an inbound tipping free for all material in our care and control.
- 2) GFL is prepared to allocate the capital required to build an organic waste processing facility at the Site with an operating agreement of at least 25 years, with a fee charged to the City per tonne.

City staff, with assistance from a third-party consulting firm, undertook an analysis of the unsolicited proposal to determine whether such a model could deliver value to the City. The analysis demonstrated that significant cost savings could be achieved over the time frame of the project (\$39M-\$122M).

Further, outsourcing the construction of the composting facility would free up debt capacity, enabling the City to consider other priority municipal projects. The most recent Council report indicated a construction cost of approximately \$56M for the composting facility. Given the timing of the report, there is a risk that the cost of the facility could be higher than \$56M once tendered.

A high-level qualitative risk assessment was also conducted to examine risks associated with the potential outsourcing of these operations. It was determined that these risks could be mitigated through the terms of a final legal agreement.

Given the potential for significant savings, financial benefits, and other operational benefits, it is recommended that this concept be advanced. Further, given the magnitude and time span of the project, and the importance of these services to the community, it is recommended that a Request for Proposal (RFP) be issued to enable an open procurement process for these services.

A background document has been prepared to provide Council with information that has previously come before Council related to the landfill and the biosolids and single source organics composting facility (Attachment A – 2026 Landfill Timeline). These documents outline that:

- The City's current landfill awaits approval of an EA from the Province which is critical to continue landfill operations at this site (for the City and any potential third-party operator).
- The composting facility was previously estimated to cost \$56M. This estimate may see cost escalation given price increases since the time of estimation.
- Advancing the composting facility is anticipated to be a component of the landfill EA approval (to address biosolids) and is also required for the City to commence collection of single-source organics.
- An Ontario government Food and Organic Waste policy required the City to achieve a 50 per cent waste reduction and resource recovery of food and organic waste generated by single-family dwellings by 2025.
- Given the delays and financial challenges associated with the construction of a new composting facility, staff previously reported a delay to initiate curbside single source organics collection until 2027.

Whether the City pursues independently or through a third-party proponent, the timeline to collect curbside single source organics will likely be pushed back further.

### **Analysis**

The municipal landfill site, located at 402 Fifth Line East, was originally developed, owned, and operated by Cherokee Disposals and Construction Ltd. in the early 1960s. The landfill was purchased by the City in 1989 and is currently licenced to accept domestic, commercial, non-hazardous solid industrial waste and processed organic waste.

Operations of a landfill by a private sector operator are not an uncommon model in Ontario and Canada. A 2025 report, "State of Waste in Ontario: Landfill Report" by Waste to Resource Ontario mentions:

*“It is important to note that municipalities are increasingly relying on private sector landfill capacity for residential waste. Municipalities are trending towards utilizing private sector capacity in cases where municipalities do not own landfills and are not likely to in the future due to urbanization and land constraints. Some municipalities with landfills are also utilizing private sector capacity due to cost efficiency and or extending the capacity of life of their municipal landfill.”*

Important factors in the operation of the City’s landfill include providing affordable service to residents, maintaining the facility to ensure longevity, and complying with all environmental regulations and standards to ensure safety. An agreement would be recommended only if the results of the RFP process enable the City to achieve satisfactory outcomes for each of these factors.

There are several considerations for the City when contemplating entering into an agreement with a private-sector operator for landfill and composting solutions. These considerations include:

- Service to Residents – Staff needs to look at creative and strategic ways to undertake municipal operations with an eye to efficient and effective use of taxpayer funds, affordable services, and value-for-money. The RFP will state that proponents must have an acceptable tipping fee escalation schedule during the operating period that aligns with the existing City B&I plan for the landfill. This means that moving to a private-sector operating model cannot result in fee increases beyond those already contemplated by the City in their current plans. The operating hours and services provided must also align with the City's current offering or be improved.
- Workforce Continuity and Communications Protocols – A key consideration for the City is looking after existing City staff working at the landfill. Should an agreement proceed with a proponent, an important component of this project will be to create individual plans for affected employees. The City will make efforts to find alternative employment opportunities within the City so that affected employees have a choice in their career paths. Union members will have the ability to rely on their general seniority as per the CUPE 3 Collective Agreement to revert back to Public Works Operations. In addition, private-sector proponents will have an obligation to offer employment opportunities to affected employees so that they may choose to remain with landfill or composting operations.
- Expertise - Attracting a proponent who is an experienced operator of landfill and composting operations can provide numerous benefits to landfill operations. Waste management companies have the advantage of dedicated staff who often work across multiple sites, awareness of industry innovations and evolving operational best practices.

- Environmental Compliance – Strict reporting requirements will be included to ensure the landfill meets all applicable regulations and maintains landfill capacity to ensure longevity through the operating period. Mandatory site inspections will also be included to enable City staff to visit and review operations.
- Future – The landfill site has always operated under a forecasted lifespan. This lifespan will remain the same should operations be outsourced to the private sector. Should future capacity of the landfill remain at the end of the operating term, as the City has experienced with the current site, the City retains ownership of the site and will have options to renew with the private-sector proponent or to take over landfill operations. Planning for the next phase of the landfill will commence within an appropriate timeframe to ensure the City has a solution in place for landfill operations that meet the needs of the community.
- Organic Waste and Biosolids Processing Facility Design – the City has initial design drawings completed for the composting facility. Proponents will be provided access to these drawings to inform their designs with the requirement to meet certain volume specifications.

There are numerous details that will need to be finalized should a proponent be selected for recommendation from the RFP process. The City retains the ability not to award the RFP to a proponent should the submissions not meet the threshold of benefit for City staff and, ultimately, City Council.

From a staff perspective, the significant potential savings that have been identified, along with the risk mitigation strategies that can be deployed within an operating agreement, present the justification to explore the concept of third-party landfill operations further.

It is a significant undertaking to evaluate submissions, and staff will carefully review submissions before making a recommendation to Council. Should a proponent be successful in the RFP process, the finalization of a legal agreement for these operations will also be required.

### **Financial Implications**

Final financial implications cannot be determined until the results of the RFP are reviewed. As mentioned elsewhere in this report, financial analysis indicates the potential for cost savings of \$39M-\$122M over the operating term of the agreement. In addition, freeing up debt capacity for the City presents a significant benefit as the City looks to address future capital needs for the Corporation.

### **Strategic Plan / Policy Impact / Climate Impact**

This is an operational matter not articulated in the corporate Strategic Plan.

### **Recommendation**

It is therefore recommended that Council take the following action:

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Resolved that the report of the CAO dated March 23, 2026 concerning landfill operations be received and Council authorize staff to develop and issue a Request for Proposals to seek a proponent that will purchase the landfill airspace and undertake landfill operations, and construct and operate a biosolids and single source organics composting facility.

Respectfully submitted,

Tom Vair

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