



Staff Report

Request for Decision

TO: Committee of the Whole – June 26, 2025

AUTHOR: Marc Sole, Manager, Solid Waste Services
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SUBJECT: **Site Operation Services for the South Coast Residential Green Waste Drop-off Depot – Contract Extension**

OVERVIEW

Purpose of Report:

The purpose of this report is to seek Board approval to extend the Site Operation Services contract for the South Coast Residential Green Waste Drop-off Depot for an additional one-year period. This report requests a Board decision to accept, reject, or provide alternate direction with respect to the recommendations as presented below.

Recommendation(s):

- (1) THAT Contract 2135202 for Site Operation Services for the South Coast Residential Green Waste Drop-off Depot be extended to Salish Environmental Group Inc. for an additional one-year period to October 31, 2026, and a value up to \$112,151 with the total contract value of \$535,074;**
 - (2) AND THAT the delegated authorities be authorized to execute the contract.**
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BACKGROUND

The Sunshine Coast Regional District (SCRD) currently holds a contract with Salish Environmental Group Inc. (Salish) to operate the South Coast Residential Green Waste Drop-off Depot. In 2021, the SCRD entered into a three-year agreement with Salish, which included the option to extend the contract for up to two additional one-year terms. One of those extensions has already been exercised.

The purpose of this report is to seek Board approval for the second and final one-year extension of the current operations contract, which is set to expire on October 31, 2025.

DISCUSSION AND ANALYSIS OF OPTIONS

The SCRD's Green Waste Recycling Program includes contracted services for hauling, processing, and the operation of a drop-off depot for residential self-hauled green waste on the South Coast. Currently, Salish provides services for the operation of the South Coast Depot. The South Coast Depot operates on land owned by the Town of Gibsons, currently leased to the SCRD until November 15, 2026. Staff will investigate options for when this lease expires and will bring those forward to the Board by 2026 Q2.

OPTION 1 – Exercise the option to extend the current contract of the Site Operation Services for the South Coast Residential Green Waste Drop-Off Depot for the second and final one-year term.

Financial Considerations

Table 1 outlines the contract values of this proposed contract extension.

Table 1: Contract Values

	Cost
Original Contract Value – Three-years	\$313,403
First Contract Extension Value - One-month	\$0
Second Contract Extension Value – 11-months	\$109,520
Third Contract Extension Value – One-year	\$112,151
Total Contract Value	\$535,074

The Green Waste Program is administered through Regional Solid Waste Service [350] and is funded entirely through taxation. The total cost of the South Coast Residential Green Waste Drop-off Depot, which includes depot operations, processing, and hauling, has a budgeted amount of \$301,132 in 2025.

The 2025 budgeted amount for this contract, relating to site operations, is \$101,440, leaving a shortfall of \$8,526, as shown in Table 2, should the Board choose to proceed with this contract extension. The shortfall of \$8,520 can be absorbed within the 2025 base budget. Any shortfall as a result of extending this service beyond 2026 will be addressed in a future staff report.

Table 2: Budget implications

	Budgeted Amount	Contract Value	Shortfall
2025	\$101,440	\$109,966	\$8,526
2026	\$101,440	\$93,459 (until Oct 31) \$112,151* (until Dec 31)	No shortfalls for this contract during proposed extension \$10,711*

*Estimated values past the expiry of proposed contract extension.

Staff Recommendation

Staff recommend this option. Should the Board choose to go with Option 1, a recommendation could be considered as provided in the Overview section on page one of this report.

OPTION 2 – Do not extend the contract of the Site Operation Services for the South Coast Residential Green Waste Drop-Off Depot and close the Depot.

Should the Board choose not to extend this contract and close the South Coast Green Waste Drop-Off Depot, residents would be given notice between now and the expiry of the contract on October 31, 2025, that the depot is closing. Residents would be directed to take their green waste to Salish Soils in Sechelt, which is a 20 – 25-minute drive away from the current depot location. The distance and driving time between the South Coast Green Waste Drop-Off Depot and Salish Soils is still comparable and, in many cases, significantly shorter than in other communities in BC.

Financial Considerations

As the South Coast Green Waste Drop-Off Depot operations and green waste hauling are funded solely through taxation, closing the depot would reduce taxation by \$301,132 per year.

Staff Recommendation

Staff do not recommend this option. Should the Board choose to go with Option 2, a recommendation could be considered, as follows:

THAT the Site Operation Services for the South Coast Residential Green Waste Drop-off Depot Contract 2135202 not be extended and the Depot be closed;

AND THAT the SCRD provide 30 clear days written notification to the Town of Gibsons to terminate the lease as per the terms of the lease agreement;

AND THAT the budget for Green Waste Operations be reduced to remove South Coast Green Waste Depot expenditures for 2026 and beyond;

AND FURTHER THAT the 2025-2029 Financial Plan be amended accordingly.

STRATEGIC PLAN IMPLICATION

This staff report is aligned with the Board's Service Delivery Focus Area of Solid Waste Solutions: Enhance diversion and recycling programs and look for ways to reduce costs.

TIMELINE

Should the Board approve Option 1, staff will execute the additional one-year extension to the Site Operation Services contract for the South Coast Residential Green Waste Drop-off Depot with Salish, allowing for no disruption to current service.

Should the Board approve Option 2, staff will initiate the process to close the South Coast Residential Green Waste Drop-off Depot. Notice would be provided to residents of the closure as soon as possible. Notice would be provided to the Town of Gibsons to terminate our lease with them, at least 30 days prior to October 31, 2025, as per the terms of the lease agreement.

COMMUNICATIONS

Should the Board choose to go with Option 1, no communication is required as the service level remains unchanged.

Should the Board choose to go with Option 2:

1. Residents would have to be given notice between now and the expiry of the contract on October 31, 2025, that the South Coast Residential Green Waste Drop—Off Depot is closing. This would require the implementation of a communications plan and support from the Communications team.
2. Provide the Town of Gibsons with 30 clear days written notification to terminate the SCRD's lease with them, as per the lease agreement.

CONCLUSION

The current South Coast Residential Green Waste Drop-off Depot operations contract expires on October 31, 2025. Staff recommend extending the contract with the current depot operator, Salish Environmental Group Inc., for one-year at \$112,151, with a maximum contract value of \$535,074.

Reviewed by:			
Manager		Finance	X - A. Taylor
GM	X - R. Rosenboom	Purchasing & Risk	X - V. Cropp
CAO	X - T. Perreault	Communications	X - A. Buckley