

2. ONYX REFUSE & RECYCLING COLLECTION CONTRACT: ELECTRIC/GAS TURBINE VEHICLES

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The purpose of this report is to provide an update on timing for the enhanced kerbside recycling collection including the extra vehicles.

BACKGROUND

In November last year the Council considered a report concerning expansion of the Onyx Kerbside Refuse/Recycling Contract to include mixed grade plastics (currently No 1, extended to No 2, ie detergent, household cleaner containers and the like) and mixed paper (currently newspapers, extended to shiny magazines, advertising papers and the like). Three extra recycling collection vehicles (making 15 in total) will be needed and the Council considered an electric/gas turbine option at an additional cost over diesel vehicles of \$68,500/year/extra vehicle (ie \$205,500 total extra operating cost/year). The Council passed the following resolution:

- "1. That the additional recyclable materials collection be approved to commence in April 2001 or as soon as possible.*
- 2. That the Onyx collection Contract be extended by the appropriate dollar amount in this report (ie either for the diesel or electric/hybrid option).*
- 3. That the Onyx collection contracts be extended the additional five year term.*
- 4. That the hybrid electric option be confirmed, the additional costs of which be funded from the waste minimisation fee.*
- 5. That 10,000 additional 45 litre crates be provided and the public be invited to collect a second crate free of charge from any Christchurch City Council Service Centre."*

TIMING

Precise timing for start-up of the expanded recycling collection is dependant upon completion of arrangements by the Recovered Materials Foundation to handle the extra materials (note extra paper and plastic per year estimated at 3,700t and 500t respectively, compared with current amounts of 8,110t and 760t respectively). Start-up is however expected to be 1 November and this will be the subject of another report to the August or September Council meeting concerning planned advertising and public education details.

ELECTRIC/GAS TURBINE VEHICLES

All collection vehicles are owned by Onyx and amortised over seven years. The Council pays for the service via a collection contract with Onyx that runs until mid 2008. Following the Council decision to run with electric vehicles, we have formally asked Onyx to proceed to order and operate them. (Letter to Onyx 15 December 2000). However in late June 2001, Onyx were informed by the company who were to manufacture the vehicles (Mr John Turton of Designline Ashburton) that due to other higher priority manufacturing commitments (red buses) that they would not be available for at least 12 months ie around mid 2002. This puts Onyx in some difficulty about what to do in the meantime. Clearly 12 months is a long delivery time and the vehicles might not ever eventuate if the manufacturer's priorities change (again).

RAMIFICATIONS OF CANCELLING ELECTRIC VEHICLES

Given the 12 month delivery delay and the possibility of even further delays (or even no delivery ever), the best option may be to cancel the order to Onyx (and Designline) for electric vehicles and revert to diesel vehicles. The ramifications of this would be as follows.

Advantages:

- Saving in operating costs of \$205,500/year. This could be used amongst other things to reduce the 2004/05 Rates spike.
- Onyx will have certainty about which type of extra vehicle to purchase and will not have to make interim arrangements due to late delivery.

Disadvantages:

- Some costs may be due to Onyx (and possibly Designline, this needs to be clarified) for 'work' to date on electric vehicles
- Some favourable public anticipation of three quieter vehicles will be lost.

CONCLUSION

Taking all of the above into consideration it would probably be prudent now to revert to diesel vehicles and leave the option for electric vehicles open for sometime in the future (probably in two to three years) when the collection fleet needs to be further expanded. Note, no research has been done on the possibility of another electric vehicle supplier in view of a perceived wish by the Council to take the opportunity now offered to reduce operating costs (and hence the future rates spike) by reversion to diesel vehicles.

- Recommendation:**
1. That Onyx be advised to provide three extra diesel recycling collection vehicles instead of electric/gas turbine vehicles.
 2. That when the Onyx collection fleet needs further expansion due to increased collection quantities, the option of electric/gas turbine vehicles be considered again as soon as possible.