REPORT OF THE

COMMITTEE ON WORKS AND OPERATIONS

DATED JULY 25, 1995

On motion of Councillor Duguid, the Report of the Committee on Works and Operations, dated July 25, 1995, was considered clause by clause.

Her Worship The Mayor and Councillors:

Award of Contract for the Provision of Services for the Collection and Processing and Marketing of Recyclable Materials - Request for Proposals P.D. No. 95-99
File WT-1.3 (Vol. 16)

973 - 1. Council, on June 17, 1992, instructed that the final decision relating to recycling programs proposed to be city-wide in nature in the City, including any contract awarded, be a decision of Council. On May 16, 1995, Request for Proposals (RFP) No. P.D. 95-99 was issued for the provision of services for the collection and/or processing and marketing of recyclable materials with final receipt of proposals taking place on June 16, 1995. A chronology of events regarding the City of Winnipeg's recycling program is outlined in Appendix B. Seven proposals were submitted, one of which was non-responsive.

Responsive proposals were received from the following offerers:

- Versatech Industries Inc.
- Soil Remedix Inc.
- The Winnipeg Recycling Group
- Laidlaw Waste Systems Limited
- Pine Falls Recycling Inc.
- Eco-Win Recycling Ltd.

The Evaluation Team for evaluation of the proposals consisted of the Commissioner of Works and Operations, the Manager of Solid Waste and the Waste Disposal Planning Engineer from the Water and Waste Department and the Contracts Lawyer from Legal Services. The Evaluation Team retained Arthur Andersen & Co. and REIC Ltd. as financial and technical advisors respectively, to assist in assessing the Proposals. The evaluation process used and the results, are described and outlined in Appendix A.

The evaluation of the proposals identified a preferred option that appeared to best address the Council approval evaluation criteria. The preferred proposal was for collection of all recyclables on an every refuse cycle basis for the entire City and processing of the recyclables at a single materials recycling facility (MRF) located in the western part of the City as submitted by Laidlaw Waste Systems Limited. The advantages of this proposal include, lowest cost, early roll-out, and a good economic benefits plan. The choice of this option as the preferred proposal was unanimous among the evaluators.

Any other alternatives, which incorporate combinations of two or more of the options proposed, will result in significantly higher costs, without significant offsetting benefits, in the opinion of the Evaluation Team. A comparison of alternatives is outlined in Appendix A.

Therefore, it is being recommended that a five-year contract for this work be awarded to Laidlaw Waste Systems Limited. Based on current market prices for recyclables, it is estimated that the revenues from the sales of recyclables could equal or even exceed the cost, therefore minimizing the City's contribution. Also, under the Manitoba Product Stewardship Program, the Province will cover at least 80% of program costs. However, funding is required for advertising, administration, and the initial contract payments until revenue payments start to accumulate. Funding for these purposes are available in the Solid Waste Disposal Utility Fund as approved by Council on April 5, 1995.

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The recycling program is a significant new addition to the existing solid waste programs and was not allowed for in the staffing under the on-going reorganization of City departments. Out-sourcing of the City's responsibilities for program management will be carried out where possible as was done earlier with the recycling Business Plan and proposal process. However, there will still be the need to coordinate and administer financial, operational and public relations functions. To do this, it is being recommended that staffing of one coordinator position and one clerical position be added to the Solid Waste Division. Funding for these positions is a direct program cost which will be covered by revenues from the sale of recyclables and Provincial funding.

Under the Manitoba Product Stewardship program, the Province will cover up to 80% of program costs. To ensure a long term commitment in this regard, it is being recommended that the City enter into an agreement with the Province of Manitoba regarding funding from the Multi-Material Stewardship Corporation.

The Committee on Works and Operations therefore recommends:-

I. That a five-year contract in the total conditional amount of up to $25,772,000.00 PST and GST extra, for the provision of services for the collection of recyclables on an every cycle basis and processing and marketing of the recyclable materials be awarded to Laidlaw Waste Systems Limited, the offerer whose proposal has been determined to be the most advantageous to the City based upon the criteria for evaluation set out in Request for Proposals No. P.D. 95-99.

II. That the proper officers of the City be authorized to conclude the agreements necessary to meet the terms and conditions set out herein and prepare the final form of the contract.

III. That the City be authorized to issue a letter of intent to contract the above mentioned work with final contract documents to follow.

IV. That staffing of one coordinator position and one clerical position be added to the Solid Waste Division to assist in administration of the contract and program management.

V. That the City enter into an agreement with the Province of Manitoba regarding funding from the Multi-Material Stewardship Corporation.

The Executive Policy Committee recommends that recommendation IV. be amended by adding at the end thereof the following, namely "said positions to be on a term basis at no additional costs to the City of Winnipeg."

Moved by Councillor Duguid,
Adoption of the clause.

In amendment,

Moved by Her Worship Mayor Thompson,
That the recommendation of the Executive Policy Committee be adopted.

Carried.

The motion for the adoption of the clause, as amended, was put and declared carried.

(See Minute No. 975 for attachment)

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Request for the Province of Manitoba to Provide Compensation to Private Contractors of Recycling in the City of Winnipeg File WT-1.3 (Vol. 16)

974 - 2. The Committee on Works and Operations at its meeting held on July 25, 1995, recommended that a five-year contract for the provision of services for the collection of recyclables on an every cycle basis and processing and marketing of the recyclable materials be awarded to Laidlaw Waste Systems Limited, the offerer whose proposal has been determined to be the most advantageous to the City based upon the criteria for evaluation set out in Request for Proposals No. P.D. 95-99.

On June 13, 1994, the Minister of Environment announced an industry-funded recycling initiative called the Manitoba Product Stewardship Program (MPSP) and provided $300,000.00 in trust toward a recycling program to be implemented by the City. The said funding was subject to a proposal being submitted to the Minister of Environment by March 31, 1995, and an agreement between the City and the Province. The City held public consultation on the MPSP opportunity from September 19 - 28, 1994; and on January 1, 1995, the Province started collecting funding for the MPSP by way of a levy on beverage containers. On May 16, 1995, Request for Proposals (RFP) No. P.D. 95-99 was issued for the provision of services for the collection and/or processing and marketing of recyclable materials with final receipt of proposals taking place on June 16, 1995. On July 25, 1995, the Committee on Works and Operations recommended a five-year contract to be awarded to Laidlaw Waste Systems Limited.

Following deliberation of the matter of the contract award, the Committee on Works and Operations passed the following motion:

THEREFORE BE IT RESOLVED THAT the Province of Manitoba be requested to provide compensation to private contractors who were operating recycling businesses in the City of Winnipeg prior to the MPSP program coming into effect.

Moved by Councillor Duguid,
Adoption of the clause.

Carried.