Agenda - Council - July 21, 2010

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - July 13, 2010

Item No. 5 Landfill Gas and Resource Recovery Project at the Brady Road Landfill Agreement
eFile WT-3

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 14, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the Chief Administrative Officer be delegated the authority to approve the award of the multi-year contract for the Landfill Gas and Resource Recovery Project for the Brady Road Landfill Agreement (RFP No. 704-2009) and to finalize the terms and conditions of the agreement within approved funding.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

STANDING COMMITTEE RECOMMENDATION:

The Standing Policy Committee on Infrastructure Renewal and Public Works did not concur in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That the Chief Administrative Officer not be delegated the authority to approve the award of the multi-year contract for the Landfill Gas and Resource Recovery Project for the Brady Road Landfill Agreement (RFP No. 704-2009) and to finalize the terms and conditions of the agreement within approved funding.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - July 13, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 14, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 13, 2010, the Standing Policy Committee on Infrastructure Renewal and Public Works did not concur in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Issue: DELEGATION OF APPROVAL AUTHORITY FOR A "LANDFILL GAS AND RESOURCE RECOVERY PROJECT AT THE BRADY ROAD LANDFILL" AGREEMENT

Critical Path: Standing Policy Committee on Infrastructure Renewal and Public Works – Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D.E. Drohomerski, C.E.T. Manager of Solid Waste	B. D. MacBride, P. Eng. Director, Water and Waste Department	J. Ferrier Acting Chief Financial Officer	A Robinson, Deputy CAO

RECOMMENDATIONS

1. That the Chief Administrative Officer be delegated the authority to approve the award of the multi-year contract for the Landfill Gas and Resource Recovery Project for the Brady Road Landfill Agreement (RFP No. 704-2009) and to finalize the terms and conditions of the agreement within approved funding.

2. That the proper Officers of the City be authorized to do all things necessary to implement the foregoing.

REASON FOR THE REPORT

Due to the complexities involved with the bid proposals for this project, the evaluation of the bids has taken longer than anticipated.

Because of the anticipated timing, it will not be possible to meet the deadline for the Council meeting in July, 2010. Delaying the award into September, 2010, or beyond will negatively affect the project schedule, possibly the cost and may affect the City's ability to comply with requirements under the Provincial Climate Change and Emissions Reductions Act.

Because of the foregoing, it is recommended that approval to award this work be delegated to the CAO with an expected award late July or early August 2010.

IMPLICATIONS OF THE RECOMMENDATIONS

By delegating authority to the CAO to approve the subject agreement, project implementation delays and any associated costs will be minimized. Delegating will also maintain the timing requirement under the Provincial Climate Change and Emissions Reductions Act for this project.

HISTORY

On May 18, 2010 a short list of three viable bidders were chosen and requested to present their proposal to the project team by no later than June 15th 2010. As a result of a medical emergency, one bidder was granted an extension for their presentation to June 24, 2010.

On March 12, 2010 the request for proposal closed with four bidders submitting proposals.

On December 15, 2009, Council adopted the 2010 Capital Estimates which included $8.9 million for this project with an expectation of funding of 50% from the Province of Manitoba. The delegation to the CAO on the basis of "within approved funding" would mean a maximum of $4.45 million from the City and the funding commitment and conditions that are actually agreed to by the Province. Discussions are ongoing with the Province at the time of writing this report.

On November 25, 2009 Council approved the issuance for a request for proposals for a landfill gas and resource recovery project at the Brady Landfill Site, according to the conditions outlined in the report of the Director of Water and Waste dated October 26, 2009.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 3, 2010

Project Name:

First Year of Program **2010**

DELEGATION OF APPROVAL AUTHORITY FOR A "LANDFILL GAS AND RESOURCE RECOVERY PROJECT AT BRADY ROAD LANDFILL" AGREEMENT

	2010	2011	2012	2013	2014
Capital					
Capital Expenditures Required	$ -	$ 8,900,000	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	8,900,000	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -		$ -	$ -	$ -
Debt - External	-	4,450,000	-	-	-
Grants (Provincial Funding)	-	4,450,000	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ 8,900,000	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ 4,450,000				
Current Expenditures/Revenues					
Direct Costs	$ 20,000	$ 200,000	$ 645,000	$ 645,000	$ 645,000
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 20,000	$ 200,000	$ 645,000	$ 645,000	$ 645,000
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ 20,000	$ 200,000	$ 645,000	$ 645,000	$ 645,000

Additional Comments: Funds for this project are included in the approved Capital Budget and are financed 50% by retained earnings and 50% by external debt.

"Original signed by L. Szkwarek, C.G.A."
Lucy Szkwarek, C.G.A
Acting Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with: N/A

SUBMITTED BY

Water and Waste Department
Solid Waste Services Division
Prepared by: Darcy Strandberg, C.E.T.
Date: June 25, 2010
File No. 011-15-04-07-00