Report - Standing Policy Committee on Public Works - April 15, 2003

Item No. 2 Sidewalk Recycling
File WT-1.3 (Vol. 22)

STANDING COMMITTEE RECOMMENDATION:

On April 23, 2003, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works, and submits the following to Council:

1. That a comprehensive sidewalk-recycling program in the City of Winnipeg be approved.

2. That the City of Winnipeg enter into negotiations with OMG Winnipeg Inc. for the provision of sidewalk recycling services and that the authority to approve the agreement be delegated to the Chief Financial Officer.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

Report - Standing Policy Committee on Public Works - April 15, 2003

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 23, 2003, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On April 15, 2003, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to Executive Policy Committee.

RE: SIDEWALK RECYCLING

FOR SUBMISSION TO: Standing Policy Committee on Public Works

ORIGINAL REPORT SIGNED BY:

B. D. MacBride, P. Eng., Director, Water and Waste Department
J. Thomson, P. Eng., Director, Public Works Department

REPORT DATE: March 25, 2003

RECOMMENDATION(S):

That a comprehensive sidewalk recycling program in the City of Winnipeg be approved.

That the City of Winnipeg enter into negotiations with OMG Winnipeg Inc. for the provision of sidewalk recycling services and that the authority to approve the agreement be delegated to the Chief Financial Officer.

REPORT SUMMARY

KEY ISSUES:

- The recommendation of this report involves a sole source award.
- The recommendation of this report involves a multi-year service agreement.
- The provision of increased recycling services in the City of Winnipeg.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

	None
x	For the organization overall and/or for other departments
x	For the community and/or organizations external to the City of Winnipeg
x	Involves a multi-year contract

Comment(s):

Policy Implications

x	No
	Yes – Comment(s):

Environmental Implications

	None
x	Yes – Comment(s): Increased public access to recycling and increased

[ ] recyclable materials diverted from the landfill.

Human Resources Implications

[x] No
[ ] Yes – Comment(s):

Financial Implications

[x] Within approved current and/or capital budget
[ ] Current and/or capital budget adjustment required

Comment(s):

REPORT

REASON FOR THE REPORT:

The establishment of a comprehensive sidewalk recycling program is a new service and requires the approval of Council.

Multi-year contracts require the approval of Council.

HISTORY:

On February 13, 2001, Council adopted a waste minimization strategy including "That the Water and Waste department report back within 90 days with a methodology for the implementation of a sidewalk recycling program in downtown Winnipeg."

At its meeting of May 1, 2001, the Standing Policy Committee on Public Works passed a motion pertaining to waste minimization which included "That the Solid Waste Division report to the Standing Policy Committee on Public Works, by May 29, 2001, with a methodology for the implementation of a sidewalk recycling program in downtown Winnipeg."

At its meeting of May 29, 2001, Standing Policy Committee on Public Works recommended to approve the pilot sidewalk recycling program "That the Water and Waste Department be authorized to conduct an eight month pilot program on Downtown recycling…"

DISCUSSION:

There has been a renewed interest in recycling in the City of Winnipeg. The public discussion on solid waste management in 2001 and the implementation of comprehensive apartment recycling have resulted in recycling volumes growing by 37%. Recent studies show that 84% of all single-family homes and over 90% of apartment locations participate in the recycling program. Community clubs and public City-operated facilities such as swimming pools also have access to recycling services. The Manitoba Product Stewardship Corporation provides funding to schools for recycling programs, and 80% of schools have opted to join this program.

There is another opportunity to enhance recycling in the City of Winnipeg. Recently some other major cities in Canada and the U.S. have implemented a sidewalk recycling program, which involves the placement of combination recycling and garbage receptacles in the street right-of-way to provide pedestrians an opportunity to recycle their beverage containers and newspapers, as well as dispose of any garbage. In order to reduce the cost of the program as much as possible, these municipalities have partnered with the private sector to provide the service.

There was considerable consultation with Take Pride Winnipeg, various Biz associations, other City Departments (Public Works, Planning Property and Development and Transit) and the Access Advisory Committee. All have agreed on the desirability of expanding the sidewalk recycling program to include up to 600 receptacles throughout the City. Discussions with OMG Winnipeg Inc. were initiated and a framework was developed to move this project forward (see Appendix 1 for more background information). To maintain continuity, the sidewalk recycling program will carry the Take Pride logo on the sides of the receptacles. A 10-year period with up to 150 receptacles in the first year, up to another 150 in the second year, and up to another 300 in the third year at various locations within the City (see attached Appendix 2) was determined to be the best approach. OMG Winnipeg Inc. would be allowed to sell advertising on the receptacles, and 10% of the advertising would be made available to the Water and Waste Department for environmentally-themed messaging. The respective responsibilities for the sidewalk recycling program would be as follows:

	OMG Winnipeg Inc.	City of Winnipeg
Approve placement locations		√
Supply, install and maintain receptacles	√	
Sell advertising on the receptacles	√	
Approve advertising content		√
Collect and dispose garbage		√
Collect and process recyclables	√	
Provide monthly diversion reports	√	
Remove snow adjacent to receptacles	√	
Provide insurance and save the City harmless for risks associated with this program	√	

A guideline was developed for the placement of the receptacles in street right-of-ways. Consideration was taken to provide for safe sight lines at intersections, prevent conflicts with other infrastructure, minimize interference with public works activities such as snow clearing, and include accessibility for visually and mobility impaired pedestrians. Prior to any receptacles being placed in the street right-of-ways listed in Appendix 2, affected City Departments and Biz zones would be consulted.

It is being recommended that this project be approved for the following reasons:

1. Environmental

It is estimated that if all 600 receptacles are installed, the program will divert 108,000 kilograms (108 tonnes) of recyclables from the solid waste stream each year. While this is a small amount in comparison to the almost 33,000 tonnes of material the City currently recycles, this program would enhance the public's awareness of recycling and the positive environmental impacts it has.

2. Renewal of Aging Infrastructure

There are currently 1,100 Take Pride litter containers in street right-of-ways throughout the City. These containers are now twelve years old and are starting to show a need for repair and, in some cases, replacement. The Public Works Department has indicated that they have no funding available to replace these containers. The 600 sidewalk recycling receptacles would replace 600 of the existing Take Pride litter containers. Some of the surplus Take Pride containers would be used to replace damaged litter containers on an as-required basis, and the rest would be sold. It is not recommended to increase the number of litter containers and recycling receptacles in the City beyond the current number since there are no budget funds available to service additional locations.

3. Financial

Appendix 3 contains a financial analysis of the proposed program. The value of the advertising opportunities for the City amount to $623,000, and there are savings in maintaining and replacing the existing Take Pride litter containers, and reduced costs for garbage collection. There are costs associated with administering the program, and the financial analysis accounts for replacing the recycling receptacles at the end of 10 years. The Manitoba Product Stewardship Corporation has agreed to provide municipal support payment funding for this program as well. Overall, the City of Winnipeg will benefit by $355,000 over the next 10 years.

It is being recommended that this program be approved on a sole source basis to OMG Winnipeg Inc. The initial pilot program report that was approved in May of 2001 stated "Depending upon the outcome of the pilot, the report may recommend expanding the pilot program to include the entire City and enter a long-term agreement with OMG Media Inc."
OMG is the only known company that provides this type of program. While there are other companies that sell recycling receptacles, none of them have indicated a willingness to provide a similar integrated, no-cost program to the City of Winnipeg. OMG is the sole provider of sidewalk recycling programs in Canada and would be the only qualified bidder, if a tender or request for proposal was issued for this work. There is no known competition for this work and there is a better opportunity to negotiate an agreement than issue a tender. A tender would also delay the implementation of the program to 2004.

A separate report is being provided to the Standing Policy Committee on Property, Planning and Development that considers the design implications of the recycling receptacles on the streetscape in the downtown area.

If approved, the installation of the additional recycling receptacles could occur during the summer of 2003.

FINANCIAL IMPACT: The annual expenses and revenues associated with this recommendation are negligible and there would be no financial impact.

_____
Moira L. Geer, C.A.
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

The following groups were involved in discussions on placement, location, and advertising criteria: Access Advisory Committee; Planning, Property and Development; Take Pride Winnipeg; Public Works Street Maintenance Division; Public Works Transportation Division; Consumers Association of Canada; Downtown BIZ; Osborne BIZ; Transit Marketing and Customer Services Division; Transit Planning and Schedules Division.

THIS REPORT SUBMITTED BY:

Water and Waste Department
Solid Waste Services Division
And
Public Works Department
Streets Maintenance Division
Prepared by: Trevor Sims, P. Eng.
File No. 011-15-08-06-00

Appendix 1

Sidewalk Recycling Program Background Information

The Water and Waste Department has been reviewing this program since 2000, and a pilot program was introduced in 2001. The pilot program took place in the downtown area on a portion of Broadway and Portage Avenue. A company called OMG provided, installed and maintained a total of 60 receptacles. In return, OMG was allowed to sell advertisements on the receptacles in order to provide them a return on their investment. Ten percent of the advertising space was made available to the City at no charge. The City of Winnipeg was responsible for the collection of the recyclables and garbage.

The results of the pilot program indicate that each receptacle diverted an average of 378 kilograms of recyclables from the waste stream each year. Consultations with various agencies--including Take Pride, the Downtown Biz, other City Departments, and pedestrians using the receptacles--indicate that the pilot program was well received. The Contractor, OMG, did an excellent job in cleaning and repairing any damages to the receptacles. OMG was also very responsive to the unforeseen needs of the City to temporarily remove some of the receptacles for the Queen's visit. The pilot program was a success.

The entire pilot program collects an average of 1,900 kilograms per month, or 23 tonnes per year of recyclables. The pilot uses a recycling hauler to remove the recyclables, while OMG provides the receptacles and maintains them. The City provides garbage collection. Collection frequency of recyclables varied between twice per week during peak summer times to once per week during the winter. There were no significant service issues, and pedestrians use the receptacles correctly. Placement guidelines were finalized during stakeholder discussions once the pilot program was in effect.

Initially, 44 recycling containers were set out for the pilot program: two in the courtyard at City Hall and 42 on Broadway between Main Street and Osborne Street. The amount and type of refuse found on Broadway in the existing 42 Take Pride Winnipeg (TPW) containers comprised largely of recyclable material. Of this material, paper products dominated. Based on this information, the existing 42 TPW containers were replaced by 42 recycling receptacles as provided by OMG. The exact placement of these containers was determined by stakeholder representatives[1], and resulted in the development of the "Guidelines for Recycling Container Placement."

The pilot program started on August 16th, 2001; and recyclable materials and refuse have been collected weekly, with a decrease in volume amounts as winter progresses (see charts). The pilot program was extended to Portage Avenue between Hargrave

[1] Stakeholders include representation from: Downtown Design Board; Access Advisory Board, Streets Maintenance Division; Transit; Traffic Signals; Water Services; Take Pride Winnipeg; Downtown Biz and Waste Minimization Advisory Committee.

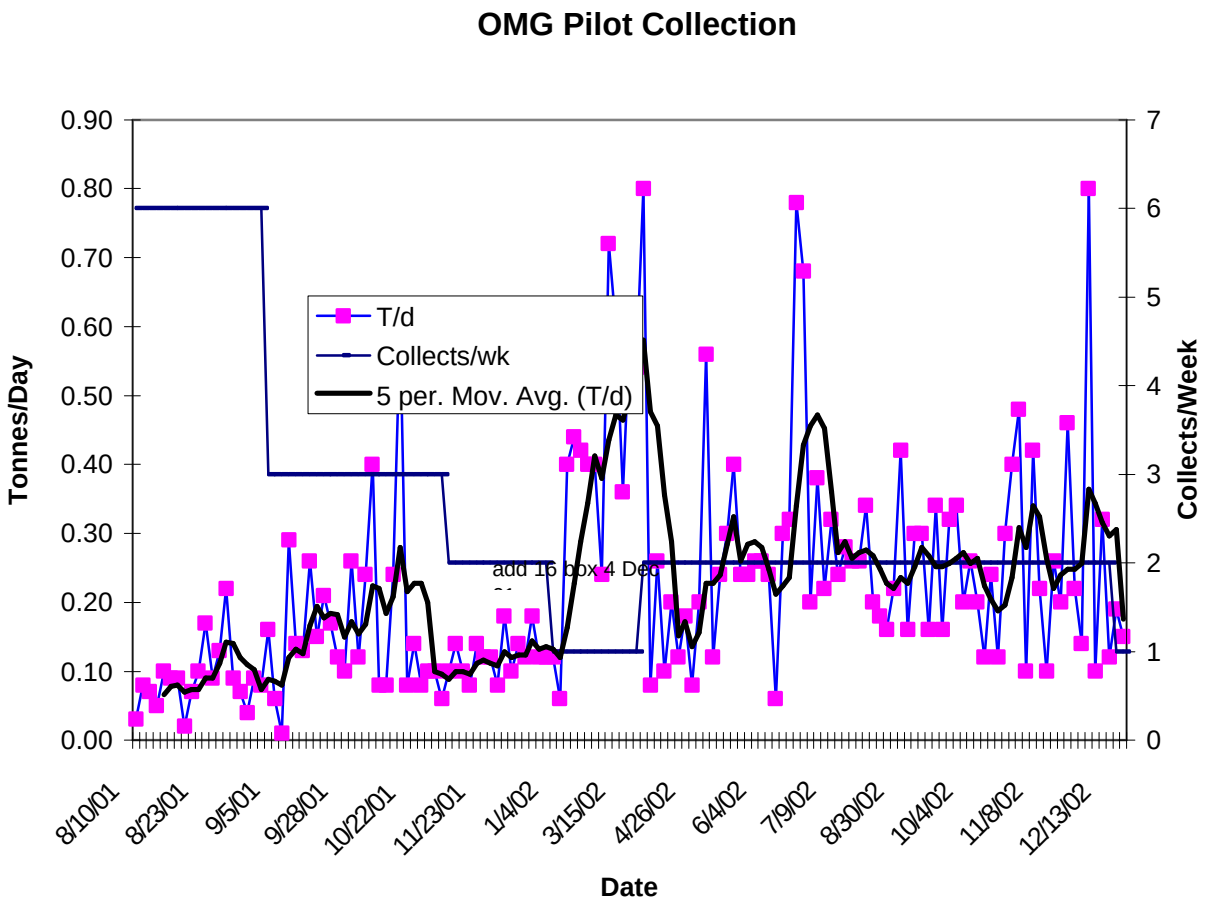
and Vaughan streets with an additional 16 containers as of December 12th, 2001. This was to gather more information and provide more exposure.

A survey conducted on Broadway during the pilot found that:

- Respondents rated a “good to excellent” (90%) response on the placement of recycling receptacles.
- The receptacles’ aesthetics rated as “good to excellent” (90%).
- When asked to comment on the pilot program, 14% of respondents preferred “smaller ads.”
- 14% of respondents indicated that they preferred “less receptacles” on Broadway.
- When asked specifically about the advertising, 42% of respondents indicated a “good to excellent” rating; 29% had no opinion.

All of the respondents indicated “yes” when asked whether they “would like this recycling service to continue beyond the pilot project.”

Appendix 1


OMG Pilot Collection
Tonnes/Day
Collects/Week
T/d
Collects/wk
5 per. Mov. Avg. (T/d)
add 16 box 4 Dec
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0.20
0.30
0.40
0.50
0.60
0.70
0.80
0.90
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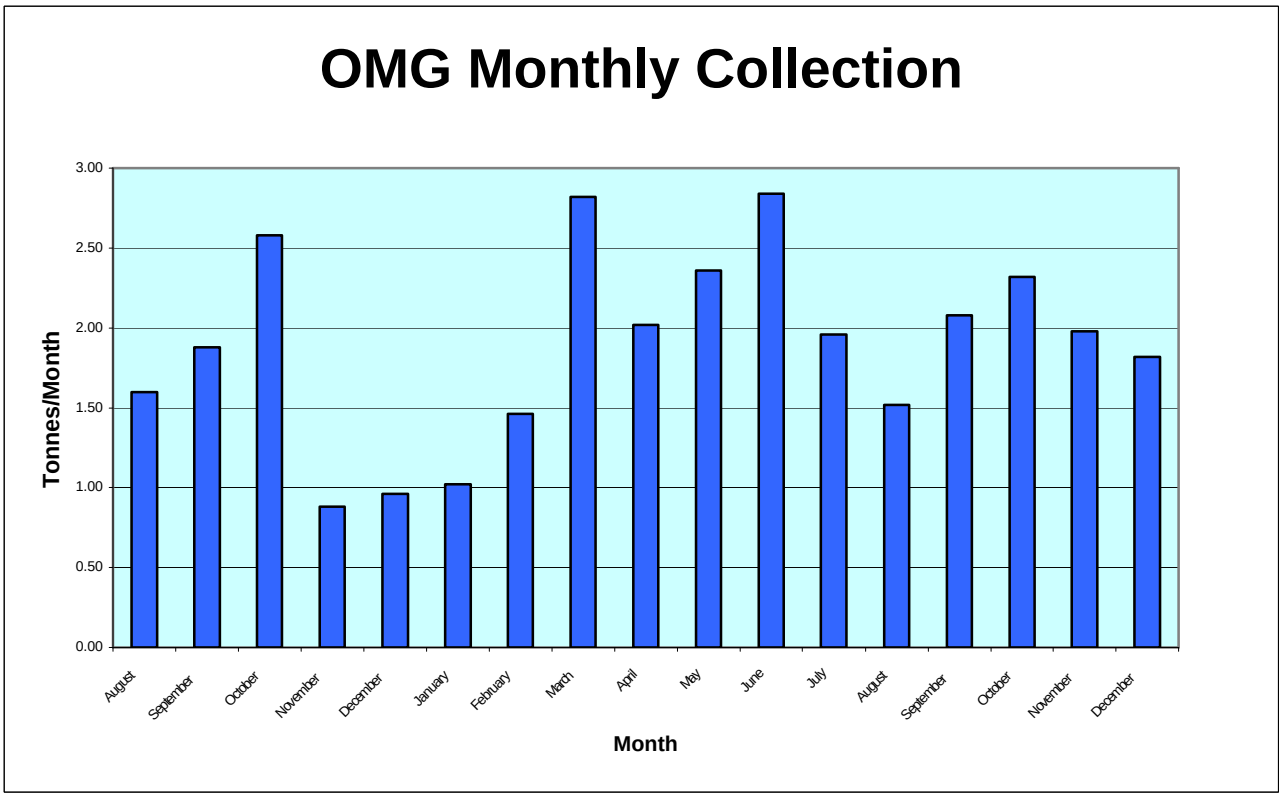
Date

Appendix 1


OMG Monthly Collection
Tonnes/Month
3.00
2.50
2.00
1.50
1.00
0.50
0.00
August
September
October
November
December
January
February
March
April
May
June
July
August
September
October
November
December
Month

Appendix 2

Locations of Receptacles

Street	From	To
Academy Rd.	Kenaston Blvd.	Wellington Cres.
Broadway	Main St.	Portage Ave.
Corydon Ave.	Osborne St.	Chalfont Rd.
Cumberland Ave.	Sherbrook St.	Carlton St.
Dakota St.	St. Mary's Rd.	Aldgate Rd.
Donald St.	Wardlaw Ave.	Notre Dame Ave.
Downtown	The area bounded west-east by Maryland - Spence - Notre Dame - Isabel St. to the Red River, and north-south by the CPR tracks and the Assiniboine River. Except Exchange District.	
Dunkirk Dr.	Kingston Row	Dakota St.
Ellice Ave.	Garry St.	Berry St.
Empress St.	Portage Ave.	Sargent Ave.
Exchange District: No Receptacles	The area bounded west-east by Notre Dame - Adelaide - Paulin to the Red River, and north-south by Alexander and Portage Avenue, including Portage East.	
Gateway Rd.	Talbot Ave.	McIvor Ave.
Goulet St.	Youville St.	St. Mary's Rd.
Grant Ave	Pembina Hwy.	Roblin Blvd.
Henderson Hwy.	Hespeler Ave.	Chief Peguis Trail
Higgins Ave.	Main St.	Point Douglas Ave.
Inkster Blvd.	Keewatin St.	Main St.
Keewatin St.	Notre Dame Ave.	Inkster Blvd.
Kenaston Blvd.	Academy Rd.	Taylor Ave.
Lakewood Blvd.	Fermor Rd.	Bishop Grandin Blvd.
Leila Ave.	Main St.	Pipeline Rd.
Lindenwood Dr. E.	Kenaston Blvd.	Avon Gate
Lindenwood Dr. W.	Avon Gate	Lindenwood Dr. E.
Main St.	Leila Ave.	Assiniboine Ave.
Main St.	St. Mary's Rd.	St. Anne's Rd.
Marion St.	St. Mary's Rd.	Archibald St.
Maryland St.	Cumberland Ave.	Broadway
McLeod Ave.	Henderson Hwy.	Molson St.
McPhillips St.	Notre Dame Ave.	Leila Ave.
Meadowood Dr.	St. Mary's Rd.	Dakota St.
Memorial Blvd.	Broadway	Portage Ave.
Nairn Ave.	Stadacona St.	Panet Rd.
Ness Ave.	King Edward St.	Cavalier Dr.
Notre Dame Ave.	Sherwin Rd.	Portage Ave.
Osborne St.	Memorial Blvd.	Red River
Panet Rd.	Regent Ave.	Molson St.

Appendix 2

Street	From	To
Pembina Hwy.	Osborne St.	Killarney Ave.
Portage Ave.	Main St.	Bedson St.
Provencher Blvd.	Tache Ave.	Archibald St.
Reenders Dr.	Panet Rd.	Regent Ave.
Regent Ave.	Lagimodiere Blvd.	Day St.
River Ave.	Main St.	Wellington Cres.
Roblin Blvd.	Dale Blvd.	Chalfont Rd.
Sargent Ave.	Edmonton St.	Berry St.
Scurfield Blvd.	Waverley St.	Fleetwood Rd.
Sherbrook St.	Wellington Ave.	William Ave.
Smith St.	Broadway	King St.
St. Anne's Rd.	St. Mary's Rd.	Southglen Blvd.
St. James St.	Portage Ave.	Notre Dame Ave.
St. Mary Ave.	Portage Ave.	Main St.
St. Mary's Rd.	Marion St.	Meadowood Dr.
Stafford St.	Pembina Hwy.	Academy Rd.
Stapon Rd.	Reenders Dr.	Regent Ave.
Stradbrook Ave.	Wellington Cres.	Main St.
Tuxedo Ave.	Kenaston Blvd.	Corydon Ave.
University Cres.	Pembina Hwy.	Dysart Rd.
Waverley St.	Scurfield Blvd.	Grant Ave.
York Ave.	Main St.	Vaughan St.

Appendix 2

	Year		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	No. of Receptacles Installed		150	300	600	600	600	600	600	600	600	600
	Benefit	**NPV Subtotals**										
1	Value of replacing damaged Take Pride litter containers	$22,388	$ 2,760	$ 2,760	$ 2,760	$ 2,760	$ 2,760	$ 2,760	$ 2,760	$ 2,760	$ 2,760	$ 2,760
2	Savings due to OMG cleaning and maintaining	$84,688	$ 3,422	$ 6,843	$ 13,686	$ 13,686	$ 13,686	$ 13,686	$ 13,686	$ 13,686	$ 13,686	$ 13,686
3	Value of advertising space available to City	$623,472	$ 22,500	$ 45,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
4	Savings in garbage collection and disposal costs	$20,675	$ 743	$ 1,485	$ 2,970	$ 2,970	$ 2,970	$ 2,970	$ 2,970	$ 2,970	$ 2,970	$ 2,970
5	Salvage resale value of Take Pride litter containers	$54,961	$ 15,000	$ 15,000	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	Manitoba Product Stewardship Corp municipal support payment of $128/t	$85,765	$ 3,456	$ 6,912	$ 13,824	$ 13,824	$ 13,824	$ 13,824	$ 13,824	$ 13,824	$ 13,824	$ 13,824
7	Street Use Permit	$324	$ 40	$ 40	$ 40	$ 40	$ 40	$ 40	$ 40	$ 40	$ 40	$ 40
	Cost											
8	Implementation	($113,244)	$ (39,907)	$ (39,907)	$ (81,813)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	Removal of Take Pride litter containers	($82,442)	$ (22,500)	$ (22,500)	$ (45,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Produce Take Pride stickers	($1,099)	$ (300)	$ (300)	$ (500)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	Replace Receptacles at the end of Service Agreement	($212,111)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (480,000)
12	Production of advertisements	($47,749)	$ (1,800)	$ (3,650)	$ (6,850)	$ (6,850)	$ (6,850)	$ (6,850)	$ (6,850)	$ (6,850)	$ (6,850)	$ (6,850)
13	Street Use Permit	($324)	$ (40)	$ (40)	$ (40)	$ (40)	$ (40)	$ (40)	$ (40)	$ (40)	$ (40)	$ (40)
14	Recyclable collection	$0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	**NPV**	**$355,323**	$ (7,727)	$ 20,743	$ 38,977	$ 116,390	$ 116,390	$ 116,390	$ 116,390	$ 116,390	$ 116,390	$ (345,610)

Notes:

1 Replace 3 Take Pride litter container equivalents per year, damage or destroyed.
2 Cleaning, Maintenance, Delivery based on costs provided by Admin and Support Services Branch, Streets Maintenance Division.
3 Based on 10% advertising faces, long term contract $1,500 per year per receptacle.
4 Garbage collection and disposal savings on recycled material 15 kgs per receptacle per month, $22.50/t + $5.00/t.
5 Salvage value of Take Pride litter containers $100 each as per Public Works.
6 Assumes a stable funding rate from Manitoba Product Stewardship Corp municipal support payment of $128 per tonne.
7 Street Use Permit fee payable to Public Works for entire program.
8 Implementation cost related to siting placements approval 5 hours per receptacle, loaded cost of equivalent $75,000/yr, 52 wk, 35 hr/wk.
9 Removal of Take Pride litter containers by Public Works staff and equipment, $150 per container.
10 Cost of producing Take Pride stickers for receptacle end faces.
11 Buy new litter containers at end of program to replace containers.
12 Production of Ads: $175 + $75 design, $110 termination Customer Service & OMG.
13 Solid Waste Services to pay Public Works for Street Use Permit fee.
14 No charge by OMG to collect recyclables.
15 4% net discount rate.

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