Winnipeg

Corporate Finance Department

INTER-OFFICE MEMORANDUM

TO:	Colin Craig Project Director Economic Opportunity Commission	**FROM:**	Robert Weselowski Administrative Liaison Economic Opportunity Commission
RE:	**Information Request – Garbage Collection Contracting Out**	**DATE:**	May 24, 2007

Colin:

Please find below the reply to your question: *"The estimate that came forward in terms of how much we're saving on the contracting out of the remaining garbage collection services was ~$2.3 million. Could I get a breakdown of what our expense estimate was for that calculation versus what the expense is through contracting out? Essentially I'm looking for a ballpark estimate statement that says something like "If we picked up garbage in that remaining area, it would cost us approximately $12.3 million per year. Through contracting out, our cost is $10 million per year.""*

- The expenses (in millions) related to the south area solid waste collection and AutoBins, prior to their contracting out, is estimated as follows:
  - Salaries and Benefits – approximately $4.2
  - Equipment Charges (Fleet Management Agency) - $1.9
  - Miscellaneous Expenses - $0.3
  - Total Expenses prior to Contracting Out - $6.4

  Note – Tipping fees remained unchanged pre and post contract.
  Please refer to the previous reply on contracting garbage collection, dated April 12, 2007, where the impact of changed quantities of collection, increased inventory of homes, etc was discussed.

- The contract costs were $ 4.1 million; thus a saving of $2.3 million.

Bob

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