Agenda – Council – June 25, 2014

Report – Standing Policy Committee on Protection and Community Services – June 13, 2014

Item No. 3 Professional Services Contract between the Winnipeg Airport Authority Inc. and the City of Winnipeg

STANDING COMMITTEE RECOMMENDATION:

On June 18, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and submitted the following to Council:

1. That the City of Winnipeg enter into a Professional Services Contract with the Winnipeg Airports Authority Inc. for providing Winnipeg Police Service personnel and equipment at the Winnipeg James Armstrong Richardson International Airport.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Professional Services Contract from December 2, 2012 to October 15, 2014**,** in accordance with the terms and conditions set forth herein and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That the Winnipeg Police Board be advised of the aforementioned.

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

Report – Standing Policy Committee on Protection and Community Services – June 13, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 18, 2014, the Executive Policy Committee concurred in the recommendations of the Standing Policy Committee on Protection and Community Services, and submitted the matter to Council.

Further on June 18, 2014, David Sanders submitted a communication dated June 18, 2014 with respect to the Professional Services Contract between the Winnipeg Airport Authority Inc. and the City of Winnipeg.

STANDING COMMITTEE RECOMMENDATION:

On June 13, 2014, the Standing Policy Committee on Protection and Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Professional Services Contract between the Winnipeg Airport Authority Inc. and the City of Winnipeg**

Critical Path: **Standing Policy Committee on Protection and Community Services – Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
M. Musgrove	Deputy Chief A. Stannard	M. Ruta	D. Joshi A/CAO

RECOMMENDATIONS

1. That the City enter into a Professional Services Contract with the Winnipeg Airports Authority Inc. for providing Winnipeg Police Service personnel and equipment at the Winnipeg James Armstrong Richardson International Airport.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Professional Services Contract from December 2, 2012 to October 15, 2014**,** in accordance with the terms and conditions set forth herein and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

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

4. That the Winnipeg Police Board be advised.

REASON FOR THE REPORT

Council approval is required to enter into the multi-year professional services contract between the Winnipeg Airport Authority Inc. and the City of Winnipeg.

IMPLICATIONS OF THE RECOMMENDATIONS

The Winnipeg James Armstrong Richardson International Airport requires protective policing and security services on airport property, aimed at preventing unlawful interference with civil aviation and for the protection and security of the airport facilities and equipment.

The Professional Services Contract between the Winnipeg Airport Authority Inc (WAA) and Winnipeg Police Service (WPS) pertains to the term from December 2, 2012 to October 15, 2014.

- The previous contract with the WAA expired several years ago and lengthy discussions were required to come to an agreement for the next one.
- Discussions were at a standstill and it was decided that a City Audit would be conducted on the service provided by the WPS to the WAA.
- All recommendations from the Audit were accommodated by the Police Service.
- Key issue was the WPS position that an increase to current shift numbers was required and eight additional members were placed in the Airport Unit in December 2012.
- As the salary increases negotiated through the Collective Agreement are yet to be calculated, billing will occur once those values are known.
- The Winnipeg Police Service made the decision not to incorporate Council directed mandatory cost of living rate recently set at 2%, as negotiations began prior to this and in good faith early in 2013.
- A Provision for Wage Adjustment (PWA) of 2% has been included on the salary portion of the contract value. Salary increases both retroactively and on a go forward basis over and above the PWA will be invoiced in mid 2014, to the end of the contract in October 2014.

At the end of the contract term on October 15, 2014 the Winnipeg Police Service will exit the site. The RCMP are positioned to take over.

HISTORY

On July 6, 1997, the City of Winnipeg and the Winnipeg Airports Authority Inc. (WAA) entered into the principal agreement for the Winnipeg Police Service to provide contract policing at the Winnipeg James Armstrong Richardson International Airport.

The WAA has agreed to compensate the City of Winnipeg $6,645,239.39 plus GST for salaries and benefits for the term of December 2, 2012 to October 15, 2014. This amount includes an annual administrative fee of 9% and will include retroactive billing for collective agreement increases. Adjustments will occur in mid-2014.

In addition to the base contract amount, the WAA agrees to provide pay for extra work as required for police personnel, at the applicable rates contained in the Collective Bargaining Agreement between the City of Winnipeg and the Winnipeg Police Association. There are no additional costs to the City of Winnipeg by accepting the Professional Services Contract for policing at the Winnipeg James Armstrong Richardson International Airport.

The Winnipeg Police Service members assigned to the Winnipeg James Armstrong Richardson International Airport meet or exceed the requirements legislated under the Aerodrome Security Measures (ASMs). In order to protect the confidentiality of security measures attached to policing at the Winnipeg James Armstrong Richardson International Airport, specific service details cannot be disclosed.

FINANCIAL IMPACT

Financial Impact Statement **Date:** April 10, 2014

Project Name: **First Year of Program** **2012**

Winnipeg Airport Authority Service Contract

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 250,765	$ 3,543,296	$ 2,851,178	$ -	$ -
Less: Incremental Revenue/Recovery	250,765	3,543,296	2,851,178	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts		-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: This service contract is a cost recovery contract. It provides for retroactive billing for collective agreement increases, although the contract includes an estimated PWA increase of 2% per year. Further adjustments toa ctual increases will occur in mid year 2014. The contract expires on Oct 15, 2014. Revenues recover costs for salaries, including Canine unit, administrative costs, charges for equipment provided by Police, i.e., computers, and other overhead costs as identified in the audit. The FIS amounts equate to the contract amount but I have included the value of the estimated increase in contract due to incremental collective agreement increases as a separate note here of approximately $77,400.

original signed by Ron Smolik April 10/14
Manager of Finance
Winnipeg Police Service

CONSULTATION

In preparing this report there was consultation with:

Legal Services Division

OURWINNIPEG POLICY ALIGNMENT

SUBMITTED BY

Department:	Winnipeg Police Service
Division:	Organizational Development, Division 32
Prepared by:	M. Musgrove, Research Analyst
Date:	May 9, 2014
File No.	ODS 14 - 115