**Minute No. 542**
**Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – June 29, 2017**

**Item No. 4 Single Source Authorization For Extension Of Contract For Mechanical Collection Of Solid Waste From Apartments And Small Commercial Establishments In The East Area Of The City Of Winnipeg**

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and adopted the following:

1. That a Single Source Negotiation for a contract extension for Bid Opportunity No. 409-2010 for the Mechanical Collection of Solid Waste from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg, with Waste Connections of Canada Inc. for the period from February 1, 2018 to January 31, 2019, pursuant to B4.1(i) of the Materials Management Policy where supply is for interim contractual arrangements following the expiration of a contract, be approved.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions and award of contract for the one-year extension of Bid Opportunity No. 409-2010 with Waste Connections of Canada Inc. in an amount not to exceed $850,000, GST and MRST extra as applicable, in accordance with this report 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 City enter into, execute and deliver a contract for the provision of services for the Collection of Solid Waste from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg with Waste Connections of Canada Inc. (formerly known as Progressive Waste Solutions Canada Inc.) and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

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

**Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – June 29, 2017**

DECISION MAKING HISTORY:

Moved by Councillor Mayes,

That the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 5, 2017, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On June 29, 2017, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Services and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title:** **SINGLE SOURCE AUTHORIZATION FOR EXTENSION OF CONTRACT FOR MECHANICAL COLLECTION OF SOLID WASTE FROM APARTMENTS AND SMALL COMMERCIAL ESTABLISHMENTS IN THE EAST AREA OF THE CITY OF WINNIPEG MATERIALS MANAGEMENT REFERENCE NO. 472-2017**

**Critical Path:** **Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – Executive Policy Committee – Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| Daryl Doubleday, Manager of Solid Waste | M. L. Geer, CPA, CA Director, Water and Waste Department | M. Ruta | D. McNeil |

## EXECUTIVE SUMMARY

The Public Service is recommending the approval of a single source negotiation for a contract extension within Bid Opportunity No. 409-2010, from February 1, 2018 to January 31, 2019, to Waste Connections of Canada Inc. (formerly Progressive Waste Solutions Canada Inc) for the Collection of Solid Waste from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg.

The contract with Waste Connections of Canada Inc. under Bid Opportunity 409-2010, expires on January 31, 2018 and this extension is required to allow the necessary time for the Public Service to collaborate with CUPE for the long term delivery of Solid Waste Services for City-Wide Apartment and Small Commercial Waste Collection, as per Council direction October 26, 2016.

This contract is financed from the annual operating budget.

## RECOMMENDATIONS

1. That Council approve a Single Source Negotiation for a contract extension for Bid Opportunity No. 409-2010 for the Mechanical Collection of Solid Waste from Apartments and Small Commercial Establishments in the East Area of the City of

Winnipeg, with Waste Connections of Canada Inc. for the period from February 1, 2018 to January 31, 2019, pursuant to B4.1(i) of the Materials Management Policy where supply is for interim contractual arrangements following the expiration of a contract.

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions and award of contract for the one-year extension of Bid Opportunity No. 409-2010 with Waste Connections of Canada Inc. in an amount not to exceed $850,000, GST and MRST extra as applicable, in accordance with this report 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 City enter into, execute and deliver a contract for the provision of services for the Collection of Solid Waste from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg with Waste Connections of Canada Inc. (formerly known as Progressive Waste Solutions Canada Inc.) and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

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

## REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract to Waste Connections of Canada Inc exceeds the $100,000 limit of the Agreement on Internal Trade (AIT) for a “service” contract and the AIT does not contain a single source provision to permit this procurement, approval by Executive Policy Committee is required pursuant to B4.4 of the Materials Management Policy.

As the total conditional amount to be paid by the City pursuant to the contract to Waste Connections of Canada Inc. affects yearly budgets not yet approved by Council, Council approval is required. As per Section 288(2) of the City of Winnipeg Charter, Council has the authority to authorize expenditures before the operating or capital budget of a fiscal year is adopted.

## IMPLICATIONS OF THE RECOMMENDATIONS

On October 26, 2016 Council directed the Public Service to:

*That the Winnipeg Public Service enter into discussions, including potential revisions to the Collective Agreement, with the Canadian Union of Public Employees to explore whether the City*

*could deliver garbage and recycle collection at a cost comparable to private sector service providers, in order to create an innovative option whereby City of Winnipeg collection contracts (such as multi-family garbage and recycling collection and/or a potential compost pilot project) could be awarded in-house in the future. The City has five collection contracts expiring in 2017 (bulky waste), and 2018 to 2023 (bin collection).*

This extension is required to allow time to collaborate with CUPE in the procurement process as directed by City Council and implement the subsequent procurement path and as such the extension is required to ensure there is no disruption to collection services under this contract.

Funding for this project will be made available from the 2018 and 2019 operating budgets – Account Distribution No.001-521081-201962-999.

**HISTORY / DISCUSSION**

On July 27, 2010, BFI Canada Inc. (became Progressive Waste Solutions Canada Inc., became Waste Connections of Canada Inc.) was awarded the contract for Mechanical Collection of Solid Waste from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg, Bid Opportunity 409-2010 in the amount of $539,917.50 per year, GST and MRST extra as applicable for the period from February 1, 2011 to January 31, 2018. Annual inflation adjustment were applied as per Section B8: Prices of the Bid Opportunity. In 2016 the contract value was $641,255, GST and MRST extra as applicable.

A further report will be submitted to the Chief Administrative Officer with respect to the award of contract.

A supplemental agreement or other document will be required for this extension of Bid Opportunity 409-2010. The Solid Waste Division will work with Legal Services on the appropriate contractual documentation.

The Solid Waste Division is satisfied that the Bidder has the necessary resources to perform all of the work in accordance with the requirements of the specifications.

The requirements for Bid and Performance Securities, and the execution of a formal contract will be extended in accordance with the authority delegated to the Manager of Materials Management pursuant to Administrative Standard FM-002.

The recommended Contractor has a workplace safety and health program meeting the requirements of The Workplace Safety and Health Act (Manitoba), as confirmed in a letter dated March 24, 2014 from an independent reviewer acceptable to the City (ie: Elias Occupational Hygiene Consulting).

## FINANCIAL IMPACT

### Financial Impact Statement

**Date:** May 23, 2017

**Project Name:** **First Year of Program** **2018**

SINGLE SOURCE AUTHORIZATION FOR EXTENTION OF CONTRACT FOR MECHANICAL COLLECTION OF SOLID WASTE FROM APARTMENTS AND SMALL COMMERCIAL ESTABLISHMENTS IN THE EAST AREA OF THE CITY OF WINNIPEG
MATERIALS MANAGEMENT REFERENCE NO. 472-2017

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| **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 | $ 779,167 | $ 70,833 | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ 779,167 | $ 70,833 | $ - | $ - | $ - |
| Less: Existing Budget Amounts | 779,167 | 70,833 | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** The contract extension is from February 1, 2018 - January 31, 2019 and reflects an amount not to exceed $850,000. The 2018-2020 operating budget submission for Garbage Collection will include the budget amounts needed for this contract in account 001-521081-201962-999.

*"Original signed by L. Szkwarek, CPA, CGA"*
Lucy Szkwarek, CPA, CGA
Acting Manager of Finance and Administration

## CONSULTATION

In preparing this report there was consultation with:

Legal Services (as to legal issues)
Materials Management, Corporate Finance Department

## OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through ensuring that solid waste services are delivered in a manner that is consistent with Provincial regulations.

OurWinnipeg Reference: Solid Waste Management

## SUBMITTED BY

Department: Water and Waste Department
Division: Solid Waste Division
Prepared by: Ken Fargher
Date: June 1, 2017
File No.: 011-05-09-04-00