Agenda – Executive Policy Committee – July 11, 2018

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – June 28, 2018

Item No. 1 Approval of Contract Extension No. 2 for Front Load Collection of Recycling From Multi-Family Dwellings and Other Establishments

STANDING COMMITTEE RECOMMENDATION:

On June 28, 2018, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the extension of a contract with Waste Connections of Canada Inc. for Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments for the period of February 1, 2019 to January 31, 2020 in the estimated amount of $465,000.00, GST and MRST extra as applicable, be approved.

2. That authority be delegated to the Chief Administrative Officer to award the 2nd, one-year extension of Bid Opportunity 1031-2011 with Waste Connections of Canada Inc. in the estimated amount of $465,000.00, GST and MRST extras as applicable, in accordance with this report.

3. That the City Enter into, execute and deliver a contract for the provision of services for the Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments with Waste Connections of Canada Inc. (formerly known as Progressive Waste Solutions Canada Inc.) and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

4. That authority be delegated to the Chief Administrative Officer to negotiate and approve terms and conditions of the contract for Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by Director of Legal Services and City Solicitor to protect the interest of the City.

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

Agenda – Executive Policy Committee – July 11, 2018

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – June 28, 2018

STANDING COMMITTEE RECOMMENDATION:

On June 28, 2018, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **APPROVAL OF CONTRACT EXTENSION NO. 2 FOR FRONT LOAD COLLECTION OF RECYCLING FROM MULTI-FAMILY DWELLINGS AND OTHER ESTABLISHMENTS**
BID OPPORTUNITY NO. 1031-2011

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

AUTHORIZATION

Author	Department Head	CFO	CAO
Randy Park, Acting 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 a second contract extension to Bid Opportunity No. 1031-2011 to Waste Connections of Canada Inc. (formerly Progressive Waste Solutions Canada Inc.) for the Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments for the period of February 1, 2019 to January 31, 2020.

The original procurement through the Bid Opportunity process allows for the option of two (2) mutually agreed upon one (1) year extensions. This extension is required to allow the necessary time for the Public Service for the procurement process of the new contract.

The Recommendations included in this Report are not subject to the various trade agreements currently in force, but do comply with the City's Materials Management Policy and the Agreement on Internal Trade (2015).

RECOMMENDATIONS

1. That the extension of a contract with Waste Connections of Canada Inc. for Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments for the period of February 1, 2019 to January 31, 2020 in the estimated amount of $465,000.00, GST and MRST extra as applicable, be approved.

2. That authority be delegated to the Chief Administrative Officer to award the 2nd, one-year extension of Bid Opportunity 1031-2011 with Waste Connections of Canada Inc. in the estimated amount of $465,000.00, GST and MRST extras as applicable, in accordance with this report.

3. That the City Enter into, execute and deliver a contract for the provision of services for the Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments 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 authority be delegated to the Chief Administrative Officer to negotiate and approve terms and conditions of the contract for Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interest of the City.

5. That the proper officers of the City of Winnipeg be authorized to do all things necessary to implement intent of the foregoing.

REASON FOR THE REPORT

As the total estimated 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 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 enter into discussions, including potential revisions to the Collective Agreement, with the Canadian Union of Public Employees Local 500 (CUPE) to explore whether the City could deliver garbage and recycle collection in-house, at a cost comparable to private sector service providers.

On February 22, 2018 Council directed the Public Service to work collaboratively with CUPE on the development and implementation of a pilot project insourcing a portion of multi-family garbage collection.

To ensure the continuation of service of the collection for Recycling from Multi-Family Dwellings and other Establishments for the period February 1, 2019 to January 31, 2020, an extension of services must be procured to allow time to implement the subsequent Bid Opportunity procurement path for the subject services.

Funding for this project will be made available from the 2019 and 2020 operating budget – Account Distribution No. 445-521027-201907-999.

HISTORY/DISCUSSION

The work of this contract consists of Front Load Collection of Recycling from Multi-Family Dwellings and other Establishments for the City of Winnipeg. On July 24, 2012, BFI Canada Inc. (which became Progressive Waste Solutions Canada Inc., then became Waste

Connections of Canada Inc.), was awarded the contract for Front Load Collection of Recycling from Multi-family Dwellings and Other Establishments, Bid Opportunity 1031-2011 in the amount of $258,687.07 per year, GST and MRST extra as applicable, for the period from November 1, 2012 to January 31, 2018 with the option of two (2) mutually agreed upon one (1) year extensions. Annual inflation adjustments were applied per Section B8: Prices of the Bid Opportunity. In 2016, the contract value was $332,690.00, GST and MRST extra as applicable.

On March 27, 2017 the contract administrator contacted the contractor requesting to exercise the option of the first mutually agreed upon one (1) year contract extension.

On April 10, 2017, the contractor replied and agreed to the contract extension for the period of February 1, 2018 to January 31, 2019 at a proposed annual estimated cost of $410,000.00, GST and MRST extra as applicable. This rate includes a negotiated 3% increase to the Form B unit prices of contract 1031-2011.

On February 27, 2018 the contract administrator contacted the contractor requesting to exercise the option of the second mutually agreed upon one (1) year contract extension.

On March 28, 2018 the contractor agreed to the contract extension for the period of February 1, 2019 to January 31, 2020 at a proposed annual estimated cost of $465,000.00, GST and MRST extra as applicable. This rate includes a negotiated 4.8% increase to the Form B unit prices of the contract 1031-2011.

As per clause D20.1 of the bid opportunity document, the unit prices specified on Form B: Prices will be adjusted on February 1, 2014 and annually on February 1 of subsequent years based on the percentage increase or decrease in the unit prices for the Contract year, based on 50% of percentage change in Index “A”, plus 20% change in Index “B”, plus 15% change in Index “C”. Nonetheless; the maximum annual adjustment shall not exceed 10%.

As per clause D20.2 Indices “A”, “B”, and “C” are as follows:

(a) Index “A” - All-items Consumer Price Index for the City of Winnipeg (Statistics Canada Reference Table 326-0020)

(b) Index “B” – Diesel Fuel Consumer Price Index for the City of Winnipeg (Statistics Canada Reference Table 326-0009)

(c) Index “C” - Average hourly earnings – employees paid by the hour in Truck Transportation for the Province of Manitoba (Statistics Canada Reference Table 281-0029)

As per clause D20.3 of the bid opportunity document, Indices “A”, “B”, and “C” will be those prepared by Statistics Canada. As some of the indices are not available from Statistics Canada until sometime after the adjustment date, the amount of adjustment will be retroactive to the adjustment date.

Original Contract – November 1, 2012 to January 31, 2018
Estimated Total Annual Contract Price $258,687.07*

Contract Extension No. 1 – February 1, 2018 – January 31, 2019
Estimated Total Annual Contract Price $410,000.00

Proposed Contract Extension No. 2 – February 1, 2019 – January 31, 2020
Estimated Total Annual Contract Price $465,000.00

Prices are GST and MRST extra as applicable.

*Unit rates are subject to an annual price adjustment for inflation as per the contract clauses detailed above.

The contract is based on unit rates that are applied to the number of locations that service is provided to. As the number of locations can fluctuate slightly, the total annual cost provided is an estimate only.

The Solid Waste Services Division is satisfied that the recommended bidder has the necessary experience and resources to perform the work of the contract in accordance with the requirements of the specifications and has performed the work since the beginning of the contract in accordance with the requirements of the contract.

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 23, 2017 from an independent reviewer acceptable to the City (i.e.: Elias Occupational Hygiene Consulting).

FINANCIAL IMPACT

Financial Impact Statement

Date: May 23, 2018

Project Name:

First Year of Program **2019**

APPROVAL OF CONTRACT EXTENSION NO. 2 FOR FRONT LOAD COLLECTION OF RECYCLING FROM MULTI-FAMILY DWELLINGS AND OTHER ESTABLISHMENTS
BID OPPORTUNITY NO 1031-2011

	2019	2020	2021	2022	2023
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	$ 426,126	$ 38,874	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 426,126	$ 38,874	$ -	$ -	$ -
Less: Existing Budget Amounts	426,126	38,874	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funding will be made available from the Operating Budget account number 445-521027-201907-999. Expenditures from future years' budgets are subject to annual approval by Council.

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

mb/js
23-May-18

CONSULTATION

This Report has been prepared in consultation with:

Legal Services Department (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

Waste Collection Services are consistent with:

1. Section 02-02 Sustainable Infrastructure Strategy – *"…consider long-term economic viability and community wellness, innovative approaches to infrastructure delivery…"*

SUBMITTED BY

Department: Water and Waste
Division: Solid Waste Services
Prepared by: K. Fargher
Date: May 23, 2018
File No: G-123