Agenda – Council – July 19, 2018

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

Item No. 2 Extension of Contract for Collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste)

STANDING COMMITTEE RECOMMENDATION:

On July 11, 2018, 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 following to Council:

1. That the extension of a contract with Waste Connections of Canada Inc. for the collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) for a one year period beginning October 1, 2018 and ending September 30, 2019 in the estimated amount of $924,370.00, GST and MRST extra as applicable, be approved.

2. That subject to the approval under Recommendation 1, that authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contract extension for the provision of services to collect Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) from entitled properties and the Ancillary Agreements, in accordance with this report 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, subject to the approval under recommendation 1 and 2, the Chief Administrative Officer award the contract extension to Waste Connection of Canada Inc. for Collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) for a one year period beginning October 1, 2018 and ending September 30, 2019 in the total estimated amount of $924,370.00, GST and MRST extra as applicable.

4. That the City enter into, execute and deliver a contract extension for the provision of services to collect Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) from entitled properties with Waste Connection of 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").

5. 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 Water and Waste, Riverbank Management and the Environment – June 28, 2018

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 11, 2018, 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 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: **EXTENSION OF CONTRACT FOR COLLECTION OF LARGE ITEMS (BULKY WASTE) AND ABANDONED LARGE ITEMS (BULKY WASTE)**

MATERIALS MANAGEMENT REFERENCE NO. 62-2017

Critical Path: The 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 Services	M. L. Geer, CPA, CA, Director, Water and Waste Department	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The report is for the award of a one year (1) contract extension to Waste Connections of Canada Inc. under Bid Opportunity 62-2017, for the collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) for a one year period beginning October 1, 2018 and ending September 30, 2019. The Work shall be done on an “as directed” basis during the term of the Contract.

The original procurement through the Single Source Negotiation process allows for the option of one (1) mutually agreed upon extension. This extension is required to allow the necessary time for the Public Service to implement the procurement process of the new contract.

The Recommendations included in this Report are not subject to the various trade agreements currently in force and complies with the City’s Materials Management Policy.

RECOMMENDATIONS

1. That Council approve the extension of a contract with Waste Connections of Canada Inc. for the collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) for a one year period beginning October 1, 2018 and ending September 30, 2019 in the estimated amount of $924,370.00, GST and MRST extra as applicable.

2. That subject to the approval under Recommendation #1, that authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the contract extension for the provision of services to collect Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) from entitled properties 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 interests of the City.

3. That, subject to the approval under recommendation 1 and 2, the Chief Administrative Officer award the contract extension to Waste Connection of Canada Inc. for Collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) for a one year period beginning October 1, 2018 and ending September 30, 2019 in the total estimated amount of $924,370.00, GST and MRST extra as applicable.

4. That the City enter into, execute and deliver a contract extension for the provision of services to collect Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) from entitled properties with Waste Connection of 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”).

5. That the proper officers of the City 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. 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

This extension is required to allow time to implement the subsequent Bid Opportunity procurement path for the subject services and as such the extension is required to ensure there is no disruption to collection services under this contract.

A supplemental agreement or other document will be required for this extension of Bid Opportunity 62-2017. The Solid Waste Division will work with Legal Services on the appropriate contractual documentation.

Funding for this project will be made available from the 2018 and 2019 operating budgets – Account Distribution No.001-521092-201962-999.

The total conditional amount to be paid by the City pursuant to the contract is estimated to be approximately $924,370.00, GST and MRST extra as applicable, for the one year period from October 1, 2018 to September 30, 2019. Upon authorization from Council for expenditures before the operating or capital budget of a fiscal year is adopted, the Chief Administrative Officer may award the contract under the authority delegated pursuant to the Materials Management Policy.

HISTORY / DISCUSSION

On December 14, 2016, Council approved and directed the Winnipeg Public Service to undertake all things necessary to bring the collection into the Winnipeg Public Service with enough flexibility to allow environmental efforts from organizations for specific types of bulky waste. Council also directed the Winnipeg Public Service to report back to Council (through the appropriate Standing Policy Committee) with a plan that includes the results and costs from the analysis of the proposed collection program complete with a timeline of implementation.

On April 19, 2017 the Executive Policy Committee approved the single source negotiation for Bid Opportunity 62-2017 for the period of October 1, 2017 to September 30, 2018 with the option of one (1) mutually agreed upon extension.

On February 22, 2018 Council repealed its decision of December 14, 2016 directing that the Winnipeg Public Service undertake all things necessary to bring the collection of “bulky waste” into the Winnipeg Public Service, and directed the Public Service to work collaboratively with CUPE Local 500 on the development and implementation of a pilot project insourcing a portion of multi-family garbage collection.

As a result of this decision, there is insufficient time to award a new contract for the collection of Bulky Waste by the end of the existing contract in September 2018. Therefore, to ensure the continuation of service of the collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste) beyond September 30, 2018 (the end dates of the current service contracts), an extension of services must be procured.

The work to be done under the contract includes the Collection and Delivery of Large Items (Bulky Waste), Abandoned Large Items (Bulky Waste), Recycling Depot Collection, and the performance of Extra Work, within the City of Winnipeg, for entities entitled to such services as governed by the Solid Waste By-law.

Under this Contract extension, the Collection and delivery of Large Items (Bulky Waste), Abandoned Large Items (Bulky Waste), Recycling Depot Collection, and the performance of Extra Work as a whole, shall commence on October 1, 2018 and continue until September 30, 2019.

The Single Source Negotiations and subsequent modified competition closed on May 16, 2017, with bids being received as follows:

Waste Connection of Canada Inc.	
(formerly known as Progressive Waste Solutions Canada Inc.)	$ 882,031.98
Halton Recycling Ltd. dba Emterra Environmental	$1,625,376.00
Miller Waste Systems Inc.	$1,521,323.58

GFL Environmental Inc. did not submit a bid.

The Water and Waste Department is satisfied that Waste Connections of Canada Inc. has the necessary resources to perform all of the work in accordance with the requirements of the specifications.

The recommended Contractor has a workplace safety and health program meeting the requirements of The Workplace Safety and Health Act (Manitoba), from an independent reviewer acceptable to the City.

This extension is not subject to the *Canadian Free Trade Agreement (2017) (CFTA)* or the *Comprehensive Economic and Trade Agreement (CETA)*, as the procurement process began before either agreement became effective. Both this extension and the modified competition from which this extension originated are subject to the Agreement on Internal Trade (2015) (AIT), and have been conducted in the spirit of the AIT.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 2, 2018

Project Name:

First Year of Program **2018**

Extension of Contract for Collection of Large Items (Bulky Waste) and Abandoned Large Items (Bulky Waste)

Materials Management Reference No. 62-2017

	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	$ 231,093	$ 693,278	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 231,093	$ 693,278	$ -	$ -	$ -
Less: Existing Budget Amounts	231,093	693,278	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funding for this extension is available from the annual Current Budget in Account Distribution No. 001-521092-201962-999.

"Original signed by L. Szkwarek, CPA, CGA"

Lucy Szkwarek, CPA, CGA
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.

Sustainable Water and Waste: 05 Solid Waste Management

SUBMITTED BY

Department: Water and Waste Department
Division: Solid Waste Services Division
Prepared by: Ken Fargher
Date: May 24, 2018
File No: G-235