Minutes – Executive Policy Committee – January 21, 2020

Report – Standing Policy Committee on Water and Waste, Riverbank Management and the Environment – January 9, 2020

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 – Materials Management Reference No. 472-2017

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 a Single Source Negotiation be approved for the extension of contract 472-2017 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, 2020 to April 30, 2020 with the option of up to three mutually agreed upon, one month extensions, pursuant to B4.1(i) of the Materials Management Policy, where the 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 a three-month extension of Contract No. 472-2017 with Waste Connections of Canada Inc. in an estimated amount not to exceed $300,000.00, GST and MRST extra as applicable, and up to three further mutually agreed upon one-month extensions, 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 an increase in the tax-supported operating budget of $300,000.00 Account Distribution No. 001 521081 201962 999 for the extension be referred to the 2020 Budget Review process.

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

Minutes – Executive Policy Committee – January 21, 2020

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DECISION MAKING HISTORY:

Moved by Councillor Gilroy,

That the recommendation of the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On January 9, 2020, 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: **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: **The Standing Policy Committee on Water and Waste, Riverbank Management and the Environment - Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Gordichuk, CCLP, Manager of Solid Waste Services	M. L. Geer, CPA, CA, Director, Water and Waste Department	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The Public Service is recommending the approval of a single source negotiation of contract extension 472-2017 from February 1, 2020 to April 30, 2020 with the option of up to three mutually agreed upon, one month extensions to Waste Connections of Canada Inc. for the collection of garbage from apartments and small commercial establishments in the East Area of the City of Winnipeg and delivery to the Brady Road Resource Management Facility.

The contract with Waste Connections of Canada Inc. under Bid Opportunity 472-2017, expires on January 31, 2020. This extension is required to allow the necessary time to procure a long term contract for collection service as the Public Service has recommended not to proceed with insourcing one of the upcoming multi-family garbage collection contracts for a period of two years and on a pilot basis as the estimated cost of the pilot project exceeds the approved 2019-2021 Operating Budget.

The Recommendations of this Report are compliant with the Materials Management Policy, but not with the applicable Trade Agreements (as detailed in the History/Discussion section).

RECOMMENDATIONS

1. That Council approve a Single Source Negotiation for the extension of contract 472-2017 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, 2020 to April 30, 2020 with the option of up to three mutually agreed upon, one month extensions, pursuant to B4.1(i) of the Materials Management Policy, where the 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 a three-month extension of Contract No. 472-2017 with Waste Connections of Canada Inc. in an estimated amount not to exceed $300,000.00, GST and MRST extra as applicable, and up to three further mutually agreed upon one-month extensions, 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 Council refer an increase in the tax-supported operating budget of $300,000.00 Account Distribution No. 001 521081 201962 999 for the extension to the 2020 budget process.

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

Council approval is required where there are not sufficient funds identified in a Council approved budget for the monetary consideration to be paid by the City for the contract.

Pursuant to B8.1.1(b) of the Materials Management Policy, Executive Policy Committee (EPC) approval is required where, based on the estimated value of the contract, the procurement is not permitted under the applicable trade agreements.

IMPLICATIONS OF THE RECOMMENDATIONS

This extension is required to allow the necessary time to procure a long-term contract for collection service as the Public Service has recommended not to proceed with insourcing one of the upcoming multi-family garbage collection contracts.

This report is requesting approval of operating budget adjustments in 2020 operating budget – Account Distribution No. 001 521081 201962.

HISTORY/DISCUSSION

On July 27, 2010, Waste Connections of Canada Inc. was awarded the contract for 409-2010 Mechanical Collection of Solid Waste from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg for the period from February 1, 2010 to January 31, 2018.

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 2017 (bulky waste), 2018 to 2023 (bin collection).

The Solid Waste Services Division 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.

This procurement is subject to the New West Partnership Trade Agreement ("NWPTA"), which incorporates the requirements of the Canadian Free Trade Agreement ("CFTA"), and the Comprehensive Economic and Trade Agreement ("CETA") (collectively the "Trade Agreements"). The Trade Agreements do not appear to contain an exception that would permit the actions in Recommendations 1 and 2 of this Report. In the opinion of the public service, there is a risk a complaint could be brought against the City pursuant to the Trade Agreements should Council approve these Recommendations.

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 May 23, 2017 from an independent reviewer acceptable to the City.

FINANCIAL IMPACT

Financial Impact Statement

Date: December 24, 2019

Project Name:

First Year of Program **2020**

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

	2020	2021	2022	2023	2024
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	$ 300,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 300,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 300,000	$ -	$ -	$ -	$ -

Additional Comments: A budget referral is recommended for the contract extension as this is not included in the 2020 budget submission presented to Standing Policy Committee on Water and Waste, Riverbank Management and the Environment. This extension is necessary to allow time to procure a long term contract as the Public Service has recommended not to proceed with insourcing one of the upcoming multi-family garbage collection contracts.

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

CONSULTATION

This Report has been prepared in consultation with:

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

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

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Water and Waste
Division: Solid Waste
Prepared by: Sam Brask
Date: December 24, 2019
File No.: 011-05-09-04-00, G-105