Agenda – Council – January 30, 2020

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

Item No. 2 Pilot Project – Multi-Family Solid Waste Collection Services Provided by City Staff

On January 21, 2020, the Executive Policy Committee laid the matter over for 30 days.

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

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 21, 2020, the Executive Policy Committee laid the matter over for 30 days.

STANDING COMMITTEE RECOMMENDATION:

On January 9, 2020, due to a tie vote, the Standing Policy Committee on Water and Waste, Riverbank Management and the Environment submitted the matter to the Executive Policy Committee and Council without recommendation.

ADMINISTRATIVE REPORT

Title: **PILOT PROJECT – MULTI-FAMILY SOLID WASTE COLLECTION SERVICES PROVIDED BY CITY STAFF**

Critical Path: **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

On February 22, 2018 Council directed the Public Service to insource one of the multi-family garbage collections contracts for a two year pilot project, subject to the pilot staying within the operating budget in the given year(s).

Since Council's direction of February 22, 2018, the Public Service has worked cooperatively with CUPE to insource the multi-family garbage collection contract for the area of Winnipeg East of the Red River on a pilot basis for two years.

The estimated cost of the 2 year pilot is $2.856 million (excluding startup costs) which is $656 thousand higher than the existing budget. As the budget for the pilot exceeds the council approval, the Public Service is recommending that the pilot not be proceeded with.

RECOMMENDATIONS

1. That the Public Service not 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.

2. 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's direction to the Winnipeg Public Service to insource one of the multi-family garbage collection contracts on a pilot basis for two years on the condition that the pilot project stay within the operating budget in the given year(s) cannot be completed within the funds approved in the 2019-2021 Operating Budget.

IMPLICATIONS OF THE RECOMMENDATIONS

The Public Service will extend the existing contract and issue a Request for Proposal.

HISTORY/DISCUSSION

History
On December 14, 2016 Council directed the Public Service to undertake all things necessary to bring the collection of "bulky waste" into the Public Service with enough flexibility to allow environmental efforts from organizations for specific types of bulky waste and report back to Council (through the appropriate Standing Policy Committee) for consideration prior to February 2017 with a plan that includes the results and costs from the analysis, timeline and process currently ongoing.

On April 10, 2017 the Standing Policy Committee on Water and Waste Riverbank Management and the Environment received the report from the Public Service and laid over the matter for up to 120 days upon ratification of the CUPE collection bargaining process. This report estimated that by 2019 bringing bulky waste collection in-house could require an increase to the tax-supported budget of $794,000.

On February 22, 2018 Council rescinded its decision of December 14, 2016 directing that the Public Service undertake all things necessary to bring the collection of "bulky waste" into the Public Service and directed that the Public Service work collaboratively with CUPE Local 500 on the development, implementation, and evaluation of a two year pilot to insource of one of the upcoming multi-family garbage collection contracts on the condition that the pilot project will stay within the operating budget in the given year(s).

Discussion
Since Council's direction of February 22, 2018, the Public Service has worked cooperatively with CUPE to insource the multi-family garbage collection contract for the area of Winnipeg East of the Red River. The Public Service and CUPE have met regularly since the inception of the project and all financial assumptions have been reviewed by CUPE. The staffing complement and job classifications have been determined and fleet has been acquired. The costs of the pilot also include a provision of garage/storage space for the fleet and other direct costs.

The estimated and budgeted cost to contract these services for the 24 month pilot period is $2.2 million ($1.1 million per year). The cost differential for the in-house collection pilot compared to the estimate for contracting the services over the pilot period, exclusive of startup costs is $656,000 or $328,000 per annum. The costs for contracting out were estimated using the cost of service for multi-family garbage collection in an area that is currently serviced by the private sector, adjusted for inflation and current market conditions.

Startup costs of roughly $500,000 that were excluded from the two year comparison include staff allocated to project development, facility upgrades, radios, and routing software. Ongoing costs include salaries, fleet, administrative support costs, maintenance and supplies, and roll off collection services for this area. The contracting of the roll off collection was necessary as there are only six locations in the East area of the city that use roll off garbage containers and they

could not be collected by the front-end collection vehicles being acquired for the in-house pilot project.

The throw away costs would be minimal as fleet could be sold, the garage/storage space can be used in the Brady Resource Management Facility operations and staff would not be hired.

Should Council approve proceeding with the pilot, an operating budget adjustment of $656,000 would be necessary and the start date of the pilot would be pushed back until April or May1, 2020 (from the target date of February 1, 2020), to allow necessary lead time to equip vehicles with technology and hire the staff.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 25, 2019

Project Name:

PILOT PROJECT - MULTI-FAMILY SOLID WASTE COLLECTION SERVICES PROVIDED BY CITY STAFF

COMMENTS:

There are no financial implications associated with the recommendations in this report as the preliminary budget includes provision for contracting out.

Lucy Szkwarek, CGA, CPA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg policies through

OurWinnipeg Reference:

OurWinnipeg 01-1b KEY DIRECTIONS FOR THE ENTIRE CITY

Sustainably manage and reduce solid waste.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department:	Water and Waste
Division:	Solid Waste Services
Prepared by:	M. Gordichuk, CCLP; M. Bunkowsky, CPA, CGA; J. Lee, RPP
Date:	November 25, 2019
File No.:	G-245