Agenda – Executive Policy Committee – July 15, 2020

REPORTS

Item No. 11 **Approval of Single Source Negotiation for Contract Extension No. 5 for Mechanical Collection of Solid Wastes from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg – Materials Management Reference No. 472-2017**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a Single Source Negotiation be approved for the extension of contract for Mechanical Collection of Solid Wastes from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg, Materials Management Reference No. 472-2017, with Waste Connections of Canada Inc. for a three (3) month period from August 1, 2020 to October 31, 2020 with an optional, mutually agreed upon one (1) month extension, 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 (3) month extension of Materials Management Reference 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 one further mutually agreed upon one (1) month extension, 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 Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: **APPROVAL OF SINGLE SOURCE NEGOTIATION FOR CONTRACT EXTENSION NO. 5 FOR MECHANICAL COLLECTION OF SOLID WASTES FROM APARTMENTS AND SMALL COMMERCIAL ESTABLISHMENTS IN THE EAST AREA OF THE CITY OF WINNIPEG MATERIALS MANAGEMENT REFERENCE NO. 472-2017**

Critical Path: **Executive Policy Committee**

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

This report is for the approval of a single source negotiation and contract extension to Waste Connections of Canada Inc. for the Mechanical Collection of Solid Wastes from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg for a three (3) month period of August 1, 2020 to October 31, 2020 with an optional, mutually agreed upon one (1) month extension. This extension is required as the CUPE multi-family garbage collection pilot has not yet been resolved. Due to delays in the resolution of this matter, the public service is now designating the southwest multi-family garbage collection area as the pilot candidate and has issued an RFP for services in the east area (original designated pilot area). This single source extension will ensure uninterrupted service until a long term contract can be awarded.

This front-end garbage collection contract is financed from the annual Current Budget. The Recommendations of this Report are compliant with the Materials Management Policy, but not with the applicable Trade Agreements. Further details are provided in the History/Discussion section.

RECOMMENDATIONS

1. That a Single Source Negotiation be approved for the extension of contract for Mechanical Collection of Solid Wastes from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg, Materials Management Reference No. 472-2017, with Waste Connections of Canada Inc. for a three (3) month period from August 1, 2020 to October 31, 2020 with an optional, mutually agreed upon one (1) month extension, 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 (3) month extension of Materials Management Reference 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 one further mutually agreed upon one (1) month extension, 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 Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On January 30, 2020, Council approved a Single Source Negotiation for the extension of contract 472-2017 Mechanical Collection of Solid Wastes 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.

On January 30, 2020, Council also delegated 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. The three (3) one-month extensions were approved together within the delegated authority of the CAO due to the uncertainties relating to the current COVID-19 pandemic on April 29, 2020.

To allow time to post and award a Tender, the Public Service is requesting a three (3) month extension from August 1, 2020 to October 31, 2020 with an optional, mutually agreed upon one (1) month extension.

Under clause B8.1.1(b) of the Materials Management Policy, EPC approval is needed for single source negotiations which are not permitted under the Trade Agreements.

IMPLICATIONS OF THE RECOMMENDATIONS

The duration of this contract extension is for the three (3) month period of August 1, 2020 to October 31, 2020 with an optional, mutually agreed upon one (1) month extension for the Mechanical Collection of Solid Waste from apartments and small commercial establishments in the East area of the City of Winnipeg.

Funds for the Supply of front end garbage collection are included in the annual Current Budget identified as Garbage Collection – Services – 001-52xxxx-201966-999.

HISTORY/DISCUSSION

On July 27, 2010, Waste Connections of Canada Inc. was awarded the contract for Mechanical Collection of Solid Wastes from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg, Bid Opportunity No. 409-2010 for the period from February 1, 2010 to January 31, 2018.

On October 6, 2017, Waste Connections of Canada Inc. was awarded a contract extension for Mechanical Collection of Solid Wastes from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg, Materials Management Reference No. 472-2017 for the period from February 1, 2018 to January 31, 2019.

On October 10, 2018, Waste Connections of Canada Inc. was awarded a second contract extension for Mechanical Collection of Solid Wastes from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg, Materials Management Reference No. 472-2017 for the period from February 1, 2019 to January 31, 2020.

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).

On January 30, 2020, Council approved the following report for Single Source Authorization for Extension of Contract for Mechanical Collection of Solid Wastes from Apartments and Small Commercial Establishments in the East Area of the City of Winnipeg – Materials Management Reference No. 472-2017:

1. That a Single Source Negotiation be approved for the extension of contract 472-2017 Mechanical Collection of Solid Wastes 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

The extension from February 1, 2020 to April 30, 2020 noted above is considered the third extension of this contract. The fourth extension, for a three (3) month period from May 1, 2020 to July 31, 2020, was approved April 29, 2020 within the delegated authority of the CAO to allow the necessary time to procure a long term contract for collection services 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 three (3) one-month extensions were requested together due to the uncertainties relating to the current COVID-19 pandemic.

The Public Service is requesting extension five (5) to allow sufficient time to post and award a Tender. This extension is from August 1, 2020 to October 31, 2020 with an optional, mutually agreed upon one (1) month extension.

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 EPC approve these Recommendations.

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.

A purchase order will be issued for the three-month extension. Another purchase order will be issued for the subsequent one-month extension if exercised.

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: June 12, 2020

Project Name:

First Year of Program **2020**

APPROVAL OF SINGLE SOURCE NEGOTIATION FOR CONTRACT EXTENSION NO. 5 FOR MECHANICAL COLLECTION OF SOLID WASTES 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	300,000	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funds for the three (3) one month extensions from August 1, 2020 to October 31, 2020 are available in the current operating budget 001-52xxxx-201966-999.

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

mb/bah
11-Jun-20

CONSULTATION

This Report has been prepared in consultation with:

N/A

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 Services
Prepared by: Sam Brask
Date: June 24, 2020
File No.: 011-05-09-04-00, G-105