

Minutes – Standing Policy Committee on Finance – November 20, 2014

REPORTS

**Minute No. 21 Comprehensive Integrated Waste Management Strategy – 4R
Winnipeg Depots Financial Status Report No. 1 for the Period from
January 1, 2014 to September 30, 2014**

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and received the report as information.

Minutes – Standing Policy Committee on Finance – November 20, 2014

DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

David Sanders, submitted a presentation dated November 20, 2014, with respect to Comprehensive Integrated Waste Management Strategy – 4R Winnipeg Depots Financial Status Report No. 1 for the Period from January 1, 2014 to September 30, 2014.

ADMINISTRATIVE REPORT

Title: **COMPREHENSIVE INTEGRATED WASTE MANAGEMENT STRATEGY – 4R WINNIPEG DEPOTS FINANCIAL STATUS REPORT NO. 1 FOR THE PERIOD FROM JANUARY 1, 2014 TO SEPTEMBER 30, 2014**

Critical Path: **THE STANDING POLICY COMMITTEE ON FINANCE**

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Park, C.E.T. Acting Manager of Solid Waste Services	D. P. Sacher, P. Eng. Director, Water and Waste Department	M. Ruta	D. Joshi A/CAO

RECOMMENDATIONS

That this report be received as information.

REASON FOR THE REPORT

At its meeting held on December 16, 1999, City Council adopted a policy whereby all capital projects with a total estimated cost of \$10 million or more be submitted by the associated Civic Department to the Standing Committee on Fiscal Issues (now the Standing Policy Committee on Finance) for review and recommendation prior to any bid solicitation being issued.

Administrative Directive No. FM-004 requires quarterly reporting to the Standing Committee on Fiscal Issues (now the Standing Policy Committee on Finance).

IMPLICATIONS OF THE RECOMMENDATIONS

The detailed design has been completed for the first two 4R Winnipeg Depots. The Brady Road 4R Winnipeg Depot is scheduled to open in the summer of 2015 and project is currently within budget.

HISTORY

On October 19, 2011 City Council, as part of the Comprehensive Integrated Waste Management Strategy approved the following:

That, subject to the approval of capital budgets, beginning in 2013, up to four Community Resource Recovery Centres (CRRCs) be developed in strategic locations, with initial sites at

Brady Road Landfill and in the north area of the city (location to be determined), and that an access fee of \$5.00 be applied for all material except those covered under other programs, such as household hazardous waste, electronic waste or recycling.

1. MAJOR CAPITAL PROJECT STEERING COMMITTEE

Administrative policy for projects with capital cost exceeding \$10 million requires formation of Major Capital Project Steering Committee. The Committee has been formed and its members are:

Diane Sacher, Director, Water and Waste
Clive Wightman, Director, Community Services
Barry Thorgrimson, Director, Planning, Property and Development
Jason Ruby, Manager of Capital Projects
Moirra Geer, Manager of Finance, Water and Waste Department
Randy Park, Acting Manager of Solid Waste Services, Water and Waste Department
Alex Singbeil, Project Manager, Water and Waste Department

2. PROJECT STATUS

Brady Road Resource Management Facility Site

The construction of the Brady Road Resource Management Facility (BRRMF) 4R Winnipeg Depot has been awarded to Con-Pro Industries Canada Ltd. Construction is expected to proceed in spring of 2015 with completion and opening in the late summer.

A Dangerous Goods Act license is required for the HHW component of the depot. The application for the permit has been made and is in the review and approval process.

The BRRMF Environment Act License requires that notification be provided to Manitoba Conservation and Water Stewardship. The Department has received written approval to proceed

Base grading and compaction work of the 4R Winnipeg Depot site was included in a separate Bid Opportunity for the construction of a disposal cell and appropriate roadways. This work is underway with approximately 40% of the base work now complete. With continued seasonal weather, it is anticipated that the base work will be completed this construction season.

Pacific Avenue Site

Design of the Pacific Depot is included in the Professional Consulting Services for Design and Contract Administration of two CRRC's awarded to Dillon Consulting Ltd. The design has proceeded to the preliminary stage and is currently waiting on construction experience and final costs of the BRRMF site. It is anticipated that detailed design will proceed in summer and fall of 2015 with an expected tender by the end of 2015. Construction will follow in 2016.

General

Roll-off trucks and a loader required for the Brady site have been procured and delivered. Training of operators has begun.

Roll-off Bin procurement is awarded, and to date, approximately 75% of bins required for the BRRMF site have been delivered.

IT components are in progress and on schedule.

The project is currently within budget.

3. RISKS AND RISK MITIGATION STRATEGY

The major risk at this early phase of the project is the ability to start construction at the BRRMF site early enough in the spring of 2015 to facilitate a summer opening of the 4R Winnipeg Depot. A prolonged, extremely cold winter (similar to 2014) with extreme frost depth, could delay the construction in the spring or result in higher construction costs.

The department is developing a risk mitigation strategy and will develop contingency plans for this potential event, such as expediting the construction schedule or delaying the opening date and communicating same.

4. DESCRIPTION OF THE PROJECT

The first phase of this project is the design and construction of a community resource recovery centre (4R Winnipeg Depot) at the Brady Road Resource Management Facility. The second phase will be a second 4R Winnipeg Depot on Pacific Avenue between Weston Street and McPhillips Street. Each of these sites will sit on approximately five acres of land. They will be staffed and be open hours similar to the Brady Road Resource Management Facility.

A 4R Winnipeg Depot is a place where residents can drop off material that they no longer have a use for, but could be recycled, reused, composted, or resold. The objective of the 4R Winnipeg Depot is to divert more material away from the landfill, and either find alternative secondary use for the materials, or ensure that they are disposed of safely (in the case of hazardous waste).

We will be negotiating agreements with Producer Responsibility Organizations (PROs) or other organizations for marketing or post-use disposal of materials. Residents will be able to drop off materials such as:

- bulky waste,
- household hazardous waste (paint, pesticides, florescent lights, etc.)
- construction materials,
- wood,
- metals,
- electronic waste, and
- yard waste.

5. FINANCIAL ANALYSIS

The status of current Requests For Proposal and Bid Opportunities are as follows:

RFP or Bid Opportunity	Description	Current Status	Contract Value (GST and MRST extra as applicable)
143-2013	Professional Consulting Services for Design and Contract Administration of Two CRRC's	Awarded	\$579,207.00
599-2014	Construction of a Community Resource Recovery Centre (4R Winnipeg Depot) at the Brady Road Resource Management Facility, Including Roadworks and Building	Awarded	\$4,103,159.40
268-2014	Supply and Delivery of Roll-off Containers	Awarded	\$416,300.00
658-2014	Request for Proposal for Professional Consulting Services for Design and Contract Administration of the East Winnipeg Community Resource Recovery Centre (CRRC)	Not Awarded	\$0

Project funding

The City Council approved 2014 Capital Budget and Forecast are as follows:

YEAR	CAPITAL PROGRAM	ACTUAL + PROJECTED CASH FLOWS	CUMULATIVE CAPITAL BUDGET REMAINING
Prior to 2014	\$ 7,200,000	\$102,966	\$7,097,034
2014	\$3,720,000	\$644,306	\$10,172,728
2015	\$3,493,000	\$5,285,291	\$8,380,437
2016	0	\$2,887,190	\$5,493,247
2017	0	\$2,000,247	\$3,493,000
Beyond 2017		\$3,493,000	0
Total	\$14,413,000	\$14,413,000	

A summary of the budget to forecast comparison is contained in Appendix 1.

FINANCIAL IMPACT

Financial Impact Statement **Date:** **October 27, 2014**

Project Name:

**COMPREHENSIVE INTEGRATED WASTE MANAGEMENT STRATEGY – 4R
WINNIPEG DEPOTS FINANCIAL STATUS REPORT NO. 1 FOR THE PERIOD FROM**

COMMENTS:

As this report is submitted for informational purposes only, there is no financial impact associated with this recommendation.

"Original signed by M. L. Geer, CA."

Moira L. Geer, C. A.

Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

SUBMITTED BY

Water and Waste Department
Division; Solid Waste Services
Prepared by: D. Strandberg, A. Singbeil
Date: October 28, 2014
File No. G-135

As at September 30, 2014

Components	Approved Budget to date	Total Costs incurred to date (9/30/2014)	2014	PROJECTED COSTS TO COMPLETE			Total Costs Remaining to Complete	TOTAL	VARIANCE	NOTE
				2015	2016	2017		Total Project Cost	Variance from Budget (Unfavourable)	
A	\$1,477,472	\$444,565	\$133,607	\$150,000	\$400,000	0	\$349,300	\$1,477,472	0	
B	\$12,935,528	\$84,290	\$84,810	\$5,135,291	\$2,487,190	\$2,000,247	\$3,143,700	\$12,935,528	0	
TOTALS	\$14,413,000	\$528,855	\$218,417	\$5,285,291	\$2,887,190	\$2,000,247	\$3,493,000	\$14,413,000	0	

5%