

**Minutes - Standing Policy Committee on Finance - September 17, 2015**

**REPORTS**

**Item No. 14                      Comprehensive Integrated Waste Management Strategy – Reduce Reuse Recycle Repeat “4R” Winnipeg Depots Financial Status Report No. 4 for the Period April 1, 2015 to June 30, 2015**

**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 - September 17, 2015**

DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

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

Carried

# ADMINISTRATIVE REPORT

**Title:               COMPREHENSIVE INTEGRATED WASTE MANAGEMENT STRATEGY –  
REDUCE REUSE RECYCLE REPEAT “4R” WINNIPEG DEPOTS FINANCIAL  
STATUS REPORT NO. 4 FOR THE PERIOD APRIL 1, 2015 TO JUNE 30,  
2015**

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

## AUTHORIZATION

<b>Author</b>	<b>Department Head</b>	<b>CFO</b>	<b>CAO/COO</b>
R. Park, C.E.T. Acting Manager of Solid Waste Services	G. K. Patton, P. Eng. Acting Director, Water and Waste Department	M. Ruta	M. Jack COO

## 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).

## EXECUTIVE SUMMARY

As part of the Council approved Comprehensive Integrated Waste Management Strategy, Community Resource Recovery Centres (CRRC now referred to as 4R Winnipeg Depots) are to be developed for the purpose of collecting divertible materials. The 4R Winnipeg Depots will benefit all residents by increasing convenience of diversion and disposal. This is the fourth quarterly Financial Status Report.

## IMPLICATIONS OF THE RECOMMENDATIONS

The detailed design has been completed for the first two Reduce Reuse Recycle Repeat “4R” Winnipeg Depots. Due to wet weather, the 4R Winnipeg Depot located at the Brady Road Resource Management Facility (BRRMF) was originally scheduled to open in September 2015,

but due to unfavorable site conditions as a result of wet weather, it is now expected to open in early November 2015.

## **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.*

On March 23, 2015, as part of City Council's approval of the 2015 operating budget, Council directed:

*That commencing on the date of the opening of the Brady Road 4R Winnipeg Depot, the 4R Depot access fee of \$5 be waived and that the Public Service bring forward to Council an alternative fee structure for 2016.*

### **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  
Marc Pittet, Acting 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. Earthen sub-base works by Edie Construction are complete as of the week ending June 27. A site hand-off is anticipated in early July once drawings and all documentation is accepted by Dillon Consulting and Con-Pro Industries. Despite construction on Saturdays to expedite the earthen work spring, weather was poor. The rain days and wet conditions added a month to the three week duration noted in the last reporting period. Con-Pro Industries requires approximately three months to complete the project, barring significant amounts of wet weather. Completion is currently expected in late October. The depot is now expected to open in early November 2015.

A Dangerous Goods Act license is required for the household hazardous waste (HHW) component of the depot. Manitoba Conservation and Water Stewardship have issued a draft license for review by City staff and our engineering consultant. Once reviewed, comments will

be forwarded to the Regulator and it is anticipated that the licence will be formally issued in August 2015. At this time, the Solid Waste Services Division does not anticipate the licensing requirements will have any impact on the construction schedule or the operational budget of the facility.

Pacific Avenue Site

There has been no change in the status of the design of the second site. Design work will recommence in summer 2015.

Panet Rd. Site

A tender for consulting services for the Panet Rd. site will be publically posted in late summer 2015.

General

Agreements in principle are completed with Call2Recycle and Electronic Products Recycling Association (EPRA). Tire Stewardship Manitoba no longer requires an agreement.

A report is expected to be tabled at the September Council meeting to enable agreements to be approved by the CAO for Manitoba Association for Resource Recovery Corporation (MARRC) and Product Care Association (PCA). These two agreements are expected to have some cost to the City and therefore require Council approval.

Schedule

The following is the current schedule of the 4R Winnipeg Depot project.

<u>Site</u>	<u>Expected opening</u>
BRRMF	Early November 2015 *
Pacific Ave- between McPhillips St and Weston St.	Late Summer 2016
Panet Rd - at Mission St.	Late Summer 2017
Site 4- West Winnipeg	TBD based on need

\*This is approximately five weeks later than the previous report due to the wet spring weather and lower than anticipated contractor capacity for summer 2015 versus summer 2014.

**3. RISKS AND RISK MITIGATION STRATEGY**

Weather continues to be the most significant risk to project schedule. Currently, discussions are underway between the Solid Waste Services Division and the Contractor regarding options to expedite the construction schedule to mitigate further delays due to wet weather. Options include altering the construction schedule to include working seven days a week and up to 24 hours per day in order to maintain the project schedule.

**4. DESCRIPTION OF THE PROJECT**

The first phase of this project is the design and construction of a 4R Winnipeg Depot (formerly called Community Resource Recovery Centre) 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. This site will sit on approximately five hectares of land. It 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 are 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 2015 Capital Budget and Forecast are as follows:

YEAR	CAPITAL PROGRAM	ACTUAL + PROJECTED CASH FLOWS	CUMULATIVE CAPITAL BUDGET REMAINING
Prior to 2015	10,920,000	669,010	10,250,990
2015	800,000	4,743,309	6,307,681
2016	400,000	3,843,681	2,864,000
2017	4,750,000	3,714,000	3,900,000
Beyond 2017	0	3,900,000	0
Total	16,870,000	16,870,000	

The project will be debt funded with debt servicing revenues to be generated by the on-site tipping fee plus a portion of the waste diversion fee revenues.

On March 25, 2015 City Council approved the 2015 Capital Budget which included an increase in the budget from \$14,413,000 to \$16,870,000.00. The increase is for the construction of facilities for household hazardous waste, installation of a weigh scale at the Brady Road depot and construction inflation. These initiatives will further enhance diversion and avoid cost and environmental impact of hazardous waste entering the landfill.

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

**FINANCIAL IMPACT**

**Financial Impact Statement**      Date: [August 17, 2015](#)

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**Project Name:**  
**COMPREHENSIVE INTEGRATED WASTE MANAGEMENT STRATEGY – 4R WINNIPEG DEPOTS FINANCIAL STATUS REPORT NO. 4 FOR THE PERIOD FROM APRIL 1, 2015 TO JUNE 30, 2015**

**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"*  
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Moira L. Geer, C. A.  
Manager of Finance and Administration

## **CONSULTATION**

In preparing this report there was consultation with:

## **OURWINNIPEG POLICY ALIGNMENT**

The 4R Winnipeg Depot Program is consistent with:

1. Section 02-2 Environment – *“Incorporate sustainable practices into internal civic operations and programs and services”*

2. Section 02-2 Environment – *“set long range goals for solid waste diversion”*

By providing new and convenient diversion options and a single stop facility for reuse, recycling, special wastes and residual materials, the quantity of materials landfilled or released to the environment, will be reduced.

## **SUBMITTED BY**

Water and Waste Department  
Division: Solid Waste Services  
Prepared by: A. Singbeil  
Date: August 18, 2015  
File No. G-135

ATTACHMENTS: Appendix 1



WATER AND WASTE DEPARTMENT - SOLID WASTE SERVICES DIVISION  
As of June 30, 2015

Components	Approved Budget to date (1)	Costs incurred up to last report	Costs submitted this report	Total Costs incurred to date (06/30/2015)	PROJECTED COSTS TO COMPLETE			Total Costs Remaining to Complete	TOTAL Total Project Cost	VARIANCE Variance from Budget (Unfavourable)
					2015	2016	2017			
A PROFESSIONAL SERVICES	\$ 1,171,246	\$ 442,927	\$ 56,332	\$ 499,259	\$ 285,987	\$ 386,000	\$ -	\$ 3,900,000	\$ 1,171,246	\$ -
B CONSTRUCTION	\$ 15,698,754	\$ 243,069	\$ -	\$ 243,069	\$ 4,384,004	\$ 3,457,681	\$ 3,714,000	\$ 3,900,000	\$ 15,698,754	\$ -
<b>TOTALS</b>	<b>\$ 16,870,000</b>	<b>\$ 685,996</b>	<b>\$ 56,332</b>	<b>\$ 742,328</b>	<b>\$ 4,669,991</b>	<b>\$ 3,843,681</b>	<b>\$ 3,714,000</b>	<b>\$ 3,900,000</b>	<b>\$ 16,870,000</b>	<b>\$ -</b>

Percentage Complete 4%