

**Minutes- Standing Policy Committee on Finance - November 26, 2015**

**REPORTS**

**Item No. 7                    Comprehensive Integrated Waste Management Strategy – Reduce Reuse Recycle Repeat “4R” Winnipeg Depots Financial Status Report No. 5 for the Period July 1, 2015 to September 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 - November 26, 2015**

DECISION MAKING HISTORY:

Moved by Councillor Gillingham,

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. 5 FOR THE PERIOD JULY 1, 2015 TO SEPTEMBER  
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	Moirra Geer, CPA, CA Acting Director of Water and Waste	M. Ruta	M. Jack COO

## RECOMMENDATIONS

That this report be received as information.

## REASON FOR THE REPORT

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 fifth 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. In the last report it was noted that delays in construction had occurred and the expected opening would be in early November. The site is still expected to open in late November on a limited basis. Full public opening is expected before the end of 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 \$20 million requires formation of Major Capital Project Steering Committee. This threshold was approved by Council on October 28, 2015. Any project reporting to SPC Finance under the previous \$10 million threshold will continue to report. The Committee has been formed and its members are:

Diane Sacher, Director, Water and Waste  
Clive Wightman, Director, Community Services  
John Kiernan, 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

Significant construction progress has been made since the last report. The underground utilities are installed, pavement base has been placed for roads and operational areas, and all concrete work is currently in progress.

Major storms in July and August caused significant delays while the site was allowed to dry. The present dry and warm weather pattern beginning in September has allowed the base work to proceed quickly and most of the site is now "all weather". Completion is expected in late November.

#### Pacific Avenue Site

Design work has recommenced. The construction tender is expected to be released in Q1 2016 with award and commencement of work in Q2 2016.

### Panet Rd. Site

A Request for Proposals for consulting services for the Panet Rd. site will be publically posted in Q4 of 2015.

### General

A report to Council was approved on September 30, 2015, giving the CAO authority to negotiate and approve the remaining Producer Responsibility Organization (PROs) agreements. The Product Care Association (PCA) and Manitoba Association for Resource Recovery Corp. (MARRC) agreements are expected to be approved in October and therefore the hazardous and special waste collection aspects of the Depot will be ready prior to opening the facility. Agreements are in place with all other required Producer Responsibility Organizations (PROs).

A Dangerous Goods Act license is required for the household hazardous waste (HHW) component of the depot. A draft license was reviewed by City staff and has since been returned to Manitoba Conservation and Water Stewardship for final review. The Solid Waste Services Division expects to receive the formal license by November 1, 2015, and does not anticipate the licensing requirements will have any impact on the construction schedule or the operational budget of the facility.

### Schedule

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

<u>Site</u>	<u>Expected opening</u>
BRRMF	Q4 2015
Pacific Ave- between McPhillips St and Weston St.	Q4 2016
Panet Rd - at Mission St.	Q4 2017
Site 4- West Winnipeg	TBD based on need

### **3. RISKS AND RISK MITIGATION STRATEGY**

Weather continues to be the most significant risk to project schedule. Concrete work is slower during colder temperatures and the contractor is attempting to bring in additional concrete crews to accelerate the work. Asphalt works are expected to be completed on 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).

Agreements have been negotiated 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:

<b>RFP or Bid Opportunity</b>	<b>Description</b>	<b>Current Status</b>	<b>Contract Value (GST and MRST extra as applicable)</b>
143-2013	Professional Consulting Services for Design and Contract Administration of Two CRRC's	Awarded to Dillon Consulting	\$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 to Con-Pro Industries	\$4,103,159.40
268-2014	Supply and Delivery of Roll-off Containers	Awarded to Harder Machine	\$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:

<b>YEAR</b>	<b>CAPITAL PROGRAM</b>	<b>ACTUAL + PROJECTED CASH FLOWS</b>	<b>CUMULATIVE CAPITAL BUDGET REMAINING</b>
Prior to 2015	\$ 10,920,000	\$ 669,010	\$ 10,250,990
2015	\$ 800,000	\$ 4,418,533	\$ 6,632,457
2016	\$ 400,000	\$ 3,964,871	\$ 3,067,586
2017	\$ 4,750,000	\$ 3,917,586	\$ 3,900,000
Beyond 2017	\$ -	\$ 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: [October 20, 2015](#)

#### **Project Name:**

**COMPREHENSIVE INTEGRATED WASTE MANAGEMENT STRATEGY – 4R WINNIPEG  
DEPOTS FINANCIAL STATUS REPORT NO. 4 FOR THE PERIOD FROM JULY 1, 2015 TO  
SEPTEMBER 30, 2015**

#### **COMMENTS:**

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

*(Original Signed by)*

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Lucy Szkwarek, CPA, CGA

Acting Manager of Finance and Administration

## CONSULTATION

In preparing this report there was consultation with:

n/a

## 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: October 21, 2015  
File No. G-135

ATTACHMENTS: Appendix 1

WATER AND WASTE DEPARTMENT - SOLID WASTE SERVICES DIVISION  
30-Sep-15

Components	Approved Budget to date (1)	Costs incurred up to last report	Costs submitted this report	Total Costs incurred to date (09/30/2015)	PROJECTED COSTS TO COMPLETE			Total Costs Remaining to Complete	TOTAL Total Project Cost	VARIANCE Variance from Budget (Unfavourable)	NOTE
					2015	2016	2017				
A PROFESSIONAL SERVICES	\$ 1,171,246	\$ 499,259	\$ 4,953	\$ 504,212	\$ 98,620	\$ 375,414	\$ 193,000		\$ 1,171,246	\$ 0	
B CONSTRUCTION	\$ 15,698,754	\$ 243,069	\$ 63,162	\$ 306,231	\$ 4,178,480	\$ 3,589,457	\$ 3,724,586	\$ 3,900,000	\$ 15,698,754	\$ (0)	
<b>TOTALS</b>	<b>\$ 16,870,000</b>	<b>\$ 742,328</b>	<b>\$ 68,115</b>	<b>\$ 810,443</b>	<b>\$ 4,277,100</b>	<b>\$ 3,964,871</b>	<b>\$ 3,917,586</b>	<b>\$ 3,900,000</b>	<b>\$ 16,870,000</b>	<b>\$ (0)</b>	

Percentage Complete 5%