

Minutes - Standing Policy Committee on Finance - June 4, 2015

REPORTS

Item No. 11 Comprehensive Integrated Waste Management Strategy – Reduce Reuse Recycle Repeat “4R” Winnipeg Depots Financial Status Report No. 3 for the Period from January 1, 2015 to March 31, 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 - June 4, 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. 3 FOR THE PERIOD FROM JANUARY 1, 2015 TO MARCH 31, 2015**

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

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
R. Park, C.E.T. Acting Manager of Solid Waste Services	T. W. Shanks, 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).

IMPLICATIONS OF THE RECOMMENDATIONS

The detailed design has been completed for the first two Reduce Reuse Recycle Repeat “4R” Winnipeg Depots. The 4R Winnipeg Depot located at the Brady Road Resource Management Facility (BRRMF) is scheduled to open in September 2015 and the project is currently within budget.

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 third quarterly Financial Status Report.

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. Construction is expected to proceed shortly with completion and opening in September 2015.

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 by Manitoba Conservation.

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 associated roadways. This work will resume the week of May 11, 2015 and is expected to take three weeks to complete, barring

inclement weather. Con-Pro Industries Canada Ltd will begin surface and structure works in June and will be complete by September.

Adjustments may be made to the construction scope where recently approved changes in the fee structure eliminate the need for fee collection facilities that were included in the originally tendered design.

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

An agreement has been negotiated with Call2Recycle, one of the Producer Responsibility Organizations (PROs), and is pending authorization from CAO. Negotiation with other PROs is ongoing; all proposed agreements are in final draft stages with only minor details yet to be resolved.

Schedule

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

Site	Expected opening
BRRMF	Late September 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

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 in the spring of 2015 to facilitate a September opening of the 4R Winnipeg Depot. The early spring appears to be lessening this risk, but rain or extended cool weather could delay the ability to begin work.

The department is working with both contractors to find ways to accelerate the schedules, prioritize work onsite, and eliminate delays caused by shifting from one contractor to the next.

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. 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: **May 28, 2015**

Project Name:
**COMPREHENSIVE INTEGRATED WASTE MANAGEMENT STRATEGY – 4R
WINNIPEG DEPOTS FINANCIAL STATUS REPORT NO. 3 FOR THE PERIOD FROM
JANUARY 1, 2015 TO MARCH 31, 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"

Moirá L. Geer, C. A.
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

OUR WINNIPEG 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: May 28, 2015
File No. G-135

WATER AND WASTE DEPARTMENT - SOLID WASTE SERVICES DIVISION
As at March 31, 2015

Components	Approved Budget to date	Costs incurred up to last report	Costs submitted this report	Total Costs incurred to date (03/31/2015)	PROJECTED COSTS TO COMPLETE			Total Costs Remaining to Complete	TOTAL	VARIANCE
					2015	2016	2017		Total Project Cost	Variance from Budget (Unfavourable)
PROFESSIONAL SERVICES	\$ 1,171,246	\$ 425,941	\$ 16,986	\$ 442,927	\$ 342,319	\$ 386,000	\$ -	\$ 1,171,246	\$ -	
CONSTRUCTION	\$ 15,698,754	\$ 243,069	\$ -	\$ 243,069	\$ 4,384,004	\$ 3,457,681	\$ 3,714,000	\$ 3,900,000	\$ 15,698,754	\$ -
TOTALS	\$ 16,870,000	\$ 669,010	\$ 16,986	\$ 685,996	\$ 4,726,323	\$ 3,843,681	\$ 3,714,000	\$ 3,900,000	\$ 16,870,000	\$ -

Percentage Complete 4%