Seasonal Extension to Mechanical Litter Removal Contracts

Date: March 12, 2013

To: Public Works and Infrastructure Committee

From: General Manager, Solid Waste Management Services
       Director, Purchasing and Materials Management Division

Wards: All

Reference Number: P:\2013\Cluster B\SWM\April\004PW (AFS #17303)

SUMMARY

This report requests authority for the General Manager of Solid Waste Management Services to amend the three existing mechanical litter removal contracts for seasonal extensions. The extension is to allow for work to be completed during the winter months (December to March) where possible.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services, and the Director, Purchasing and Materials Management, recommend that:

1. City Council grant authority to the General Manager, Solid Waste Management Services, in consultation with the City Solicitor, to amend Contract No. 47016511 (A & F Di Carlo Construction Inc.) to allow services over a 12-month period (January to December) for each year of the term of the contract (four years) and to increase the value of the contract by $27,515.72 annually ($110,062.88), from $3,279,485.04 to $3,389,547.92 net of all applicable taxes and charges.

2. City Council grant authority to the General Manager, Solid Waste Management Services, in consultation with the City Solicitor, to amend Contract No. 47016507 (Pave-Tar Construction Ltd.) to allow for services over a 12-month period (January to December) for each year of the term of the contract (four years) and to increase the value of the contract by $81,564.47 annually ($326,257.88), from $4,111,829.70 to $4,438,087.58 net of all applicable taxes and charges.
3. City Council grant authority to the General Manager, Solid Waste Management Services, in consultation with the City Solicitor, to amend Contract No. 47014810 (Sidcon Contracting Ltd.) to allow for services over a 12-month period (January to December) for each year of the term of the contract (two years) and to increase the value of the contract by $87,460.69 annually ($174,921.38), from $5,527,836.00 to $5,702,757.38 net of all applicable taxes and charges.

Financial Impact

The total contract amendments identified in this report for all years is $690,703.62 including all applicable taxes and charges. The total cost to the City including all years is $622,000.00 net of HST recoveries. Funding is included in the 2013 Operating Budget for Solid Waste Management Services under Cost Centre SW0718, Cost element 4424. Additional funding, as required, will be included in the 2014-2016 annual Operating Budget Submissions for Solid Waste Management Services.

The contract amendments will have a combined financial impact of $200,000.00 net of HST recoveries annually starting in 2013. Funding for these amendments was approved as part of the 2013 Operating Budget for Solid Waste Management Services – New/Enhanced Service Priority Actions as described in Budget Business Case No. SW-N021.

The following table outlines the changes by contract by year:

<table>
<thead>
<tr>
<th>Contract No.</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>47016511</td>
<td>28,000</td>
<td>28,000</td>
<td>28,000</td>
<td>28,000</td>
<td>112,000</td>
</tr>
<tr>
<td>47016507</td>
<td>83,000</td>
<td>83,000</td>
<td>83,000</td>
<td>83,000</td>
<td>332,000</td>
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<tr>
<td>47014810</td>
<td>89,000</td>
<td>89,000</td>
<td></td>
<td></td>
<td>178,000</td>
</tr>
<tr>
<td>Total $</td>
<td>200,000</td>
<td>200,000</td>
<td>111,000</td>
<td>111,000</td>
<td>622,000</td>
</tr>
</tbody>
</table>

Net of HST Recoveries

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of November 27, 28 and 29, 2012, City Council adopted “EX25.10 – 2013 Rate Supported Budgets – Solid Waste Management Services and Recommended 2013 Solid Waste Rates (Item BU31.2)” containing Recommendations 1 through 13, as amended, for the 2013 Operating Budget including specifically the following:
4. City Council approve the 2013 Operating Budget for Solid Waste Management Services of $348,748 million gross and $0.0 million net, comprised of the following services:

<table>
<thead>
<tr>
<th>Service</th>
<th>Gross ($000s)</th>
<th>Net ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Support</td>
<td>66,907.1</td>
<td>(199,208.1)</td>
</tr>
<tr>
<td>Collection</td>
<td>112,857.8</td>
<td>109,064.9</td>
</tr>
<tr>
<td>Transfer</td>
<td>30,908.0</td>
<td>23,159.9</td>
</tr>
<tr>
<td>Processing</td>
<td>46,265.6</td>
<td>23,156.5</td>
</tr>
<tr>
<td>Disposal</td>
<td>91,809.4</td>
<td>43,826.8</td>
</tr>
<tr>
<td><strong>Total Program Budget</strong></td>
<td><strong>348,747.9</strong></td>
<td><strong>0.0</strong></td>
</tr>
</tbody>
</table>

5. City Council approve Solid Waste Management Service’s services and 2013 proposed service levels, as outlined on pages five and six of the 2013 Recommended Operating Budget for Solid Waste Management Services, and associated staff complement of 1,105.7.


**ISSUE BACKGROUND**

As part of the 2013 Budget process, staff proposed an increase in the level of service with the mechanical litter vacuums through the winter months.

The change to the level of service was approved by City Council and contractors have been working since January 2013. In reviewing the individual contracts, it was determined that staff require City Council authority to amend the three litter removal contracts.

**COMMENTS**

Solid Waste Management Services had previously issued Contract No. 47016511 (A & F Di Carlo Construction Inc. from March 1, 2012 to December 31, 2016), Contract No. 47016507 (Pave-Tar Construction Ltd. from March 1, 2012 to December 31, 2016) and
Contract No. 47014810 (Sidcon Contracting Ltd. from March 15, 2010 to December 31, 2014) which contained provisions for the mechanical litter removal for the operating season of March to November annually with a 4-week extension available where required.

Over the past number of years, the winter season (December to March) has changed where there is significantly less snow accumulations in the City. With sidewalks and paved areas clear of snow and ice, the mechanical litter vacuums are able to continue cleaning and removing litter.

Having the contracted equipment available during this period allows for ongoing cleaning and litter removal which in turn helps in keeping the City clean for residents, visitors and businesses. All year litter removal supports the Division’s commitment to City Beautification.

This increase in service level was part of the 2013 Solid Waste Management Services Operating Budget process and the financial impact has been approved by City Council in November 2012.

**CONTACT**
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**SIGNATURE**

Jim Harnum, CET, MBA
General Manager
Solid Waste Management Services

Michael Pacholok
Director
Purchasing and Materials Management Division