



THE REGIONAL MUNICIPALITY OF NIAGARA
PUBLIC WORKS COMMITTEE
AGENDA

PWC 7-2021

Tuesday, July 13, 2021

9:30 a.m.

Meeting will be held by electronic participation only

This electronic meeting can be viewed on Niagara Region's Website at:

<https://www.niagararegion.ca/government/council/>

Due to efforts to contain the spread of COVID-19 and to protect all individuals, the Council Chamber at Regional Headquarters will not be open to the public to attend Committee meetings until further notice. To view live stream meeting proceedings, visit:
[niagararegion.ca/government/council](https://www.niagararegion.ca/government/council)

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
3. <u>PRESENTATIONS</u>	
4. <u>DELEGATIONS</u>	
5. <u>ITEMS FOR CONSIDERATION</u>	
5.1. <u>PW 38-2021</u> Niagara Regional Transit (NRT) OnDemand - Port Colborne Inclusion	3 - 18
5.2. <u>PW 41-2021</u> Approval of Public Works Single Source Purchase Order Requests and Purchase Change Order Requests Exceeding \$100,000	19 - 24
5.3. <u>PWC-C 25-2021</u> Recommendations for Consideration from the Waste Management Planning Steering Committee meeting held on June 28, 2021	25 - 41

6. CONSENT ITEMS FOR INFORMATION

- 6.1. PWC-C 24-2021 42 - 82
Blue Box Program - Final Producer Responsibility Regulations

A presentation will precede the discussion on this item.

- 6.2. PWC-C 23-2021 83 - 90
Public Works Single Source Purchases over \$100,000 - Exceptions

7. OTHER BUSINESS

8. NEXT MEETING

The next meeting will be held on Tuesday, August 10, 2021 at 9:30 a.m.

9. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Subject: NRT OnDemand – Port Colborne Inclusion

Report to: Public Works Committee

Report date: Tuesday, July 13, 2021

Recommendations

1. That the report from the City of Port Colborne titled, “Transit Enhancement Opportunity” (Appendix 1 to Report PW 38-2021) **BE RECEIVED** for information;
2. That the Chief Administrative Officer **BE AUTHORIZED** to execute any amendments to the Agreement and/or Service Order between the Regional Municipality of Niagara and River North Transit, LLC (a.k.a. Via Mobility, LLC) in the amount of \$898,840 (excluding HST) to enable the inclusion of a turnkey, on-demand transit service pilot in Port Colborne to be branded and administered as part of the Niagara Regional Transit (NRT) OnDemand pilot;
3. That the Chief Administrative Officer **BE AUTHORIZED** to execute a Memorandum of Understanding (MOU) between Niagara Region and the City of Port Colborne to allow for Niagara Region to facilitate and administer the deployment of on-demand transit services within the City of Port Colborne as approved in the terms and value outlined in City of Port Colborne report 2021-15; and
4. That the Chief Administrative Officer **BE AUTHORIZED** to execute amendments and/or extensions to both the MOU and the Agreement/Service Order such that it facilitates the continuity of services as a result of the Niagara Transit Governance Study.

Key Facts

- The purpose of this report is to seek Council’s approval to allow Port Colborne to integrate the City’s on-demand transit pilot into the Region’s existing NRT OnDemand pilot program, in order to capitalize on the Region’s preferred pricing, reduce administrative overhead, and facilitate ease of use for riders traveling between municipalities.
- PW 60-2019 and PW 41-2020 authorized the Chief Administrative Officer to execute agreements with Via Mobility for the deployment of on-demand transit in West

Niagara and Niagara-on-the-Lake, which successfully launched August 17, 2020 and November 23, 2020 respectively.

- In August 2020, the City of Port Colborne approached Niagara Region to revisit the potential for bringing NRT OnDemand to their municipality, much in the same manner that the service was expanded in Niagara-on-the-Lake.
- On January 11, 2021, Port Colborne's Council approved a pilot deployment for an \$898,840 (excluding HST) on-demand service to operate within its municipal boundaries (Appendix 1) from approximately June 2020 to the termination of Niagara Region's contract.
- That approval also included a request to Niagara Region to approve, prepare, manage, and integrate their service area with the existing NRT OnDemand service in addition to making a financial contribution of \$126,200 in 2021 and \$187,500 in 2022 to enable inter-municipal connections between Port Colborne and Fort Erie and Port Colborne and West Niagara.
- A new start date of January 2022 has been confirmed by Port Colborne staff. As a result, only the 2022 portions of the Agreement and funding are being requested. This will result in a total contract value of \$510,700 of which Niagara Region's portion would be \$187,500.
- On January 21, 2021 Niagara Region Council approved the renewal of the NRT OnDemand pilot for a second year.

Financial Considerations

The City of Port Colborne currently spends \$303,700 (\$135,700 levy, \$168,000 Provincial Gas Tax (PGT) revenue and fares) for transit services (all figures referenced exclude HST). In order to move to an on-demand service, the City requires \$375,000 more than their current expenditure in 2022. Port Colborne City Council has approved an increase of half of that amount (\$187,500 to cover January through August 2022). The City of Port Colborne is requesting that Niagara Region pool resources by contributing \$187,500 in 2022.

The purpose of this Regional contribution is to facilitate the fulfillment of Niagara Region's mandate to provide planned inter-municipal connections (per CAO 8-2017, LNTC C-21-2018), which in this case, includes a new connection to Fort Erie Transit via Crystal Beach, to West Niagara and the Port Colborne Link. This connectivity would be the final component in truly connecting all of Niagara's municipalities through public transit, which is an important milestone in the ongoing transit governance work. It is important to note that the fees above are estimates based on annualized costs and will

be finalized once the exact start and end dates are confirmed. It would be staff's intention to align the end date with the other service areas in West Niagara and Niagara-on-the-Lake where applicable.

Niagara Region's contribution for inter-municipal trips will be accommodated in the 2022 Operating Budget, as staff had previously identified connecting Port Colborne and Fort Erie by way of inter-municipal transit in the 2020 budget, and thus those funds are now part of the NRT existing base budget. As a backup, should 2022 provide financial challenges to transit relating to the ongoing fallout of COVID-19, staff has identified that it is able to cover this portion of the pilot funding for the inter-municipal expansion through the Region's PGT. For 2022, Port Colborne would use the remainder of its transit reserve and any additional funding would be from its stabilization reserve. Refer to Appendix 1 for further detail.

Additionally, a Memorandum of Understanding between Niagara Region and the City of Port Colborne should provide consideration for indirect costs to NRT staff relating to the Contract Administration of the project on the City's behalf within the existing NRT OnDemand envelope. Items such as customer service inquiries, community engagement, paid advertising, signage, etc. will need to be accounted for in the MOU, similar to what exists for the West Niagara and NOTL service areas.

Analysis

In 2019, staff brought forward report PW 60-2019 which outlined the on-demand simulation results for West Niagara. Based on a request from the Inter-municipal Working Group (IMTWG), and in alignment with the service area expansions outlined in CAO 8-2017 and LNTC-C 21/22/23-2018, those simulation results also contained a review of opportunities to bring on-demand services to Port Colborne and Fort Erie for the purposes of connecting the southern municipalities of Niagara. In addition, that report also referenced the need for additional discussions with Port Colborne and Fort Erie.

In August of 2020, City of Port Colborne staff asked Regional staff to assist the City in further investigating the feasibility of bringing on-demand transit (specifically NRT OnDemand) to Port Colborne. Between September and December, staff from the City, the Region and Via worked together to review existing ridership data, identify potential service options and quantify service parameters; a process that built off of the simulation results (PW 60-2019) done by the IMTWG.

The culmination of that work is the City of Port Colborne's report "2021-15 - Transit Enhancement Opportunity" (Appendix 1). That report outlines the difference between two options; (Option 1) maintaining the fixed-route community bus or (Option 2) fully integrating with NRT OnDemand that would service the entirety of the municipality and provide inter-municipal connections as identified above. City staff recommended their Council approve Option 2 – full integration with NRT OnDemand. Port Colborne Council unanimously approved that recommendation as well as one that requests Niagara Region to oversee the integration into the existing NRT OnDemand pilot, much in the same way as the Niagara-on-the-Lake expansion which launched in November 2020.

Staff at the City of Port Colborne have requested that, should Regional Council approve this service expansion, target launch date of January 1, 2022 be sought. This date is the result of the City desiring to have on-demand transit in place prior to the conclusion of the Niagara Transit Governance Study in recognition that a new entity will not have the capacity to change service models in the first few years after upload. The actual launch date will be finalized upon approval of this report and once a contract with the service provider can be established. Regardless of the start date, the end date will be set to align with the end date for the West Niagara service area. It is also worth reiterating that staff is requesting that the CAO be authorized to extend the length of the contract in order to maintain service continuity should the results of the governance work require a transition period.

Full integration with NRT OnDemand would require the City to have two dedicated vehicles in order to service the whole municipality and meet forecasted service demands. Additionally, this option would allow for ticket pricing continuity across the various Niagara Region Transit systems. Not only would integration with NRT OnDemand greatly enhance the rider experience in Port Colborne, it would also facilitate additional connectivity with the West Niagara municipalities, connection to the Welland Terminal, and to Fort Erie Transit through a connection in Crystal Beach.

Alternatives Reviewed

The alternative is to decline the City's request for funding, partnership and integration of services. This would default the City to continue running the fixed-route community bus that only services a portion of the City's urban area and by extension, a small portion of its residents. This would also impact the residents of the surrounding municipalities as they would not benefit from the enhanced connectivity. From a rider perspective, providing a single online app and transit brand makes the user experience much simpler and highly efficient. Moreover, combining multiple transit agencies into a single service

also highlights the collaborative feasibility of the work being undertaken more broadly as part of the larger ongoing transit governance review. It is for these reasons that staff does not recommend declining the request from the City of Port Colborne.

Relationship to Council Strategic Priorities

The IMT Service Implementation Strategy directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objectives 3.1 & 3.4) through advancing regional transit and facilitating the movement of people and goods.

Other Pertinent Reports

- PW 1-2021 Niagara Regional Transit (NRT) OnDemand Contract Renewal
- PW 41-2020 NRT On-Demand – Niagara-on-the-Lake Inclusion
- PW 60-2019 On-Demand Transit – Pilot Authorization (Simulation Results)
- CAO 8-2017 Niagara Region’s Transit Service Delivery and Governance Strategy

Prepared by:
Robert Salewytch
Program Manager, Transit Services
Public Works Department

Recommended by:
Bruce Zvaniga, P. Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Heather Talbot, Financial and Special Projects Consultant, and reviewed by Matt Robinson, Director, GO Implementation Office.

Appendices

Appendix 1 2021-15 – Transit Enhancement Opportunity



PORT COLBORNE

Corporate Services Department
Clerk's Division

Municipal Offices: 66 Charlotte Street
Port Colborne, Ontario L3K 3C8 • www.portcolborne.ca

T 905.835.2900 ext 106 F 905.834.5746
E amber.lapointe@portcolborne.ca

January 21, 2021

Ann-Marie Norio
Regional Clerk
Administration – Office of the Regional Clerk
Niagara Region

Via E-Mail

Dear Ms. Norio:

Re: Resolution – Transit Enhancement Opportunity

Please be advised that, at its meeting of January 11, 2021, the Council of The Corporation of the City of Port Colborne resolved as follows:

That Corporate Services Department Report 2021-15 be received;

That the City of Port Colborne request the Region of Niagara to submit a service order to Via Mobility LLC to amend its master terms agreement for the deployment of a turnkey, on-demand transit service to include the service area of Port Colborne and the integration and alignment of the Port Colborne service into the Niagara Regional Transit (NRT) OnDemand mobile application; and

That subject to approval by the Niagara Region's Public Works Committee and Council:

- Port Colborne Transit be integrated into the NRT OnDemand program (including related Provincial Gas Tax Funding) as outlined in this report;
- The City of Port Colborne provide funding to the Niagara Region as outlined in this report;
- The City of Port Colborne extend its appreciation to the City of Welland for their long-standing service as the City of Port Colborne Transit provider and for that contract to stop when the OnDemand service begins;
- The City of Port Colborne extend its warmest thank you to the Port Colborne Transit Advisory Committee for their previous service and for that committee to be dissolved;
- The Chief Administrative Officer and Director of Corporate Services / Treasurer be authorized to sign and execute the necessary documents to complete the approved recommendations in this report.

...2

Page 2
January 20, 2021

Resolution – Transit Enhancement Opportunity

A copy of the above-noted report is enclosed for your reference.

Sincerely,



Amber LaPointe
City Clerk

Encl.

ec: R. Salewytch, Program Manager – Transit Services, GO Implementation Office,
Niagara Region, Public Works Department
B. Boles, Director of Corporate Services / Treasurer, City of Port Colborne



Subject: Transit Enhancement Opportunity

To: Council

From: Corporate Services Department

Report Number: 2021-15

Meeting Date: January 11, 2021

Recommendation:

That Corporate Services Department Report 2021-15 be received;

That the City of Port Colborne request the Region of Niagara to submit a service order to Via Mobility LLC to amend its master terms agreement for the deployment of a turnkey, on-demand transit service to include the service area of Port Colborne and the integration and alignment of the Port Colborne service into the Niagara Regional Transit (NRT) OnDemand mobile application; and

That subject to approval by the Niagara Region's Public Works Committee and Council:

- Port Colborne Transit be integrated into the NRT OnDemand program (including related Provincial Gas Tax Funding) as outlined in this report;
 - The City of Port Colborne provide funding to the Niagara Region as outlined in this report;
 - The City of Port Colborne extend its appreciation to the City of Welland for their long-standing service as the City of Port Colborne Transit provider and for that contract to stop when the OnDemand service begins;
 - The City of Port Colborne extend its warmest thank you to the Port Colborne Transit Advisory Committee for their previous service and for that committee to be dissolved;
 - The Chief Administrative Officer and Director of Corporate Services / Treasurer be authorized to sign and execute the necessary documents to complete the approved recommendations in this report.
-

Purpose:

This report proposes service level enhancements to the current Port Colborne Transit program. It proposes moving from a fixed-route model to an on-demand model that

provides transit services to the whole City of Port Colborne (the “City”), increases the days of operation by one day per week, and the hours of service per day from 11 hours to 15 hours.

Background:

The City of Welland has been the long-standing service provider of a fixed route transit system in the City. The current route is identified in Appendix A. In 2019, the current service had approximately 35 individual riders per day (note 2019 numbers were used as COVID-19 impacted 2020 comparatives). At the time of writing this report the City is operating month to month with the City of Welland as the previous contract has expired.

On November 25, 2019 the Niagara Region presented a proposal for Niagara Region Transit (“NRT”) OnDemand to City Council. As an outcome of that meeting, staff were directed to review transit options.

The NRT OnDemand system has since been launched in the Town of Grimsby, Town of Lincoln, Town of Niagara-on-the-Lake, Town of Pelham, Township of Wainfleet, and the Township of West Lincoln.

Recent discussions with the Niagara Region identified they are currently in contract discussions with their service provider (VIA Mobility LLP) and, should the City wish to join, the City could do so in the June 2021 timeframe.

As Council is aware, Niagara Region and the local area municipalities have been engaged in a multi-year transit governance study to determine the feasibility and desirability of consolidating transit services under a single entity. A transition that, if approved, could happen between 2022 and 2023. Staff understand the Niagara Region will present the plan to the Councils of local area municipalities in the first half of 2021.

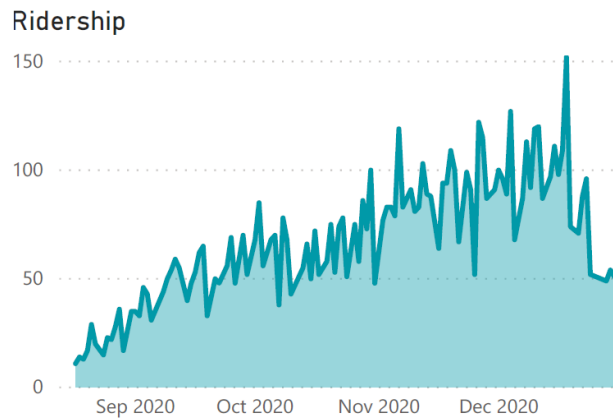
Salient to any amalgamation planning City Staff understand the service being offered at the time of consolidation will be the service that is continued with no new service additions being considered by the new transit entity for a number of years thereafter as it focuses on transitioning the operation of the service and seeks to undergo a network evaluation and design process.

Discussion:

In presenting this report City Staff identify that the City of Welland has been and continues to be a tremendous partner in providing transit to the City.

The NRT OnDemand system is currently in full operation in a number of municipalities in the Niagara Region as identified above. The website for the service is as follows: www.niagararegion.ca/transit/on-demand/default.aspx.

The following chart highlights the growth in usage of the current NRT OnDemand system in the other municipalities identified above. Staff highlight this growth has occurred despite the COVID-19 pandemic.



Key comparisons of the current and proposed NRT OnDemand options are provided in chart form below:

	Current	NRT OnDemand
Area Served	Appendix A – Limited / Fixed	Appendix B – All of Port Colborne (including Fort Erie Crystal Beach Area)
Number of Days	Monday - Friday (5 days)	Monday – Saturday (6 days)
Number of Hours	7am to 6pm (11 hours)	7am 10pm (15 hours)
Route adjustments^	Lead time required	Dynamic
Data	Limited	Significant
Boarding location	Bus stop or flag stop on route	Estimated average walk 55 to 80 m from location submitting pick-up request from (Wheelchair accessible trips will be door-to-door)
Pick-up time	Per pre-published schedule	Estimated 8 minutes or less from request pick-up time (assuming daily volume doubles from 2019 levels)
How to get a ride	Go to bus stop or flag a bus at pre-determined time	Use app or call phone number
Ride Sharing	Yes	Yes

^ The dynamic/full City coverage provided by the OnDemand system is something that ensures no matter how or where the City grows going forward the Transit system can accommodate.

The proposal from the Niagara Region is to manage the entire program, including Provincial Gas Tax reporting. Through their service provider, they proposed the use of

two vehicles for the City. As the City would be part of the larger network, should demand spike at certain times vehicles from other locations could be redirected to support those higher demand times.

Pricing of the current and OnDemand option are similar from the rider's perspective. The following table of fares enables trips that begin and end with the City of Port Colborne:

	Current (lasted updated 2018)			NRT OnDemand		
	Cash Fare	10-ride Card	Monthly Pass	Cash Fare	10-ride Card	Monthly Pass
Adults	\$3.00	\$25.00	\$85.00	\$3.00	\$27.00	\$85.00
Seniors (65+)	\$3.00	\$21.00	\$65.00	\$3.00	\$22.50	\$65.00
Elementary and High School	\$3.00	\$21.00	\$75.00	\$3.00	\$22.50	\$65.00
Children	\$1.50 (12 and under riding alone) Free (12 and under riding with paying adult)			5 and under free (Note: As of February 1 st , 2021 the child age for Regional service will change to 12 and under)		

Niagara Region also offer fares that permit intermunicipal travel using the existing fixed route network of Niagara Region Transit, such as Route 25 (Port Colborne Link). The fare table below permits riders to travel anywhere in Niagara.

	OnDemand		
	Cash Fare	10-ride Card	Monthly Pass
Adults	\$6.00	\$45.00	\$160.00
Seniors (65+)	\$5.00	\$40.00	\$130.00
Elementary and High School	\$5.00	\$40.00	\$130.00
Children	5 and under free (Note: As of February 1 st , 2021 the child age for Regional service will change to 12 and under)		

Financial Implications:

The financial implications of the current service level and the estimated financial impact of the new OnDemand service level are identified in the chart below:

	2021 – Current	2021 – OnDemand*	2022 – OnDemand*^
Current Net Levy Impact of Transit~	\$135,700	\$135,700	\$135,700
Increase cost for increase level of service with OnDemand	N/A	\$252,400	\$375,000
	\$135,700	\$388,140	\$510,700
City of Port Colborne	N/A	\$126,200	\$187,500
Niagara Region	N/A	\$126,200	\$187,500
	N/A	\$252,400	\$375,000

~ The gross cost before Provincial Gas Tax revenue and user fees is \$303,700. The net cost in the budget was \$165,700. The net cost above of \$135,700 reflects the projected revenue of approximately \$30,000 in a non-COVID period.

* The figures above assume no change in usage from the 2019 level and that Niagara Region through its Public Works Committee and Council, approve matching funding as part of their intermunicipal transit mandate since a connection to Fort Erie Transit would be established (anticipated in the Crystal Beach area). Through discussions with Niagara Region, staff understand the Niagara Region already has these funds budgeted and are financially involved with the NRT OnDemand programs in other local area municipalities. As noted the recommendation to this report is contingent on funding approval from the Niagara Region.

^ These figures are in present value dollars and may be subject to increases close to inflation. These will be dependent on negotiations between the Niagara Region and their service level provider.

These increased costs are not anticipated to have a permanent impact on the City's portion of the tax levy if the local area municipalities transit systems are consolidated into one transit entity.

For this reason, staff propose the following funding option:

- For 2021 the estimated funding requirement of \$126,200 be funded from the transit reserve that currently has a balance of \$150,000. Staff identified this

potential reserve usage in Report 2020-144, Reserve and Reserve Fund Policy dated October 13, 2020.

- For 2022, the remainder of the transit reserve would be used, and any additional funding would be internally funded from the stabilization reserve. These funds would be replenished/repaid by maintaining the current net transit levy budget up to \$135,700 in subsequent years after uploading the transit system to a regional transit entity. After the balance funded from the stabilization reserve is repaid, the net transit levy amount would be removed from the City's budget.

The risk to this funding model is the uploading process takes longer, does not happen or the City is asked to fund the regional transit entity on a go forward basis (which, at the time of writing this report, staff understand to not be the case). If the transition takes one year longer into 2023 staff propose the same funding strategy in 2022 be used (internally fund from reserves). If the transition takes longer than 2023 and/or does not gain approval staff will review other funding options and/or options to adjust service levels. The levy impact of \$187,500 (2022 estimated cost) is approximately 0.9%.

For greater clarity, staff identify the funding model identified above is based on estimates and are subject to change. If Council approves this report, Council is approving a 50/50 cost share of the increased cost of the OnDemand service with Niagara Region (which will offset the costs of the connection to Fort Erie Transit) and that the City's portion be paid first from the transit reserve and second from the stabilization reserve, to be repaid by maintaining the levy post consolidation until the stabilization reserve is repaid.

Conclusion:

The City has a unique opportunity at this time to set its level of service with the cooperation of the Niagara Region prior to the anticipated creation of a consolidated regional transit entity.

Appendices:

- Current Transit Route
- Proposed Service Map (Port Colborne going into Fort Erie Crystal Beach Area)

Respectfully submitted,

Bryan Boles

Director of Corporate Services / Treasurer

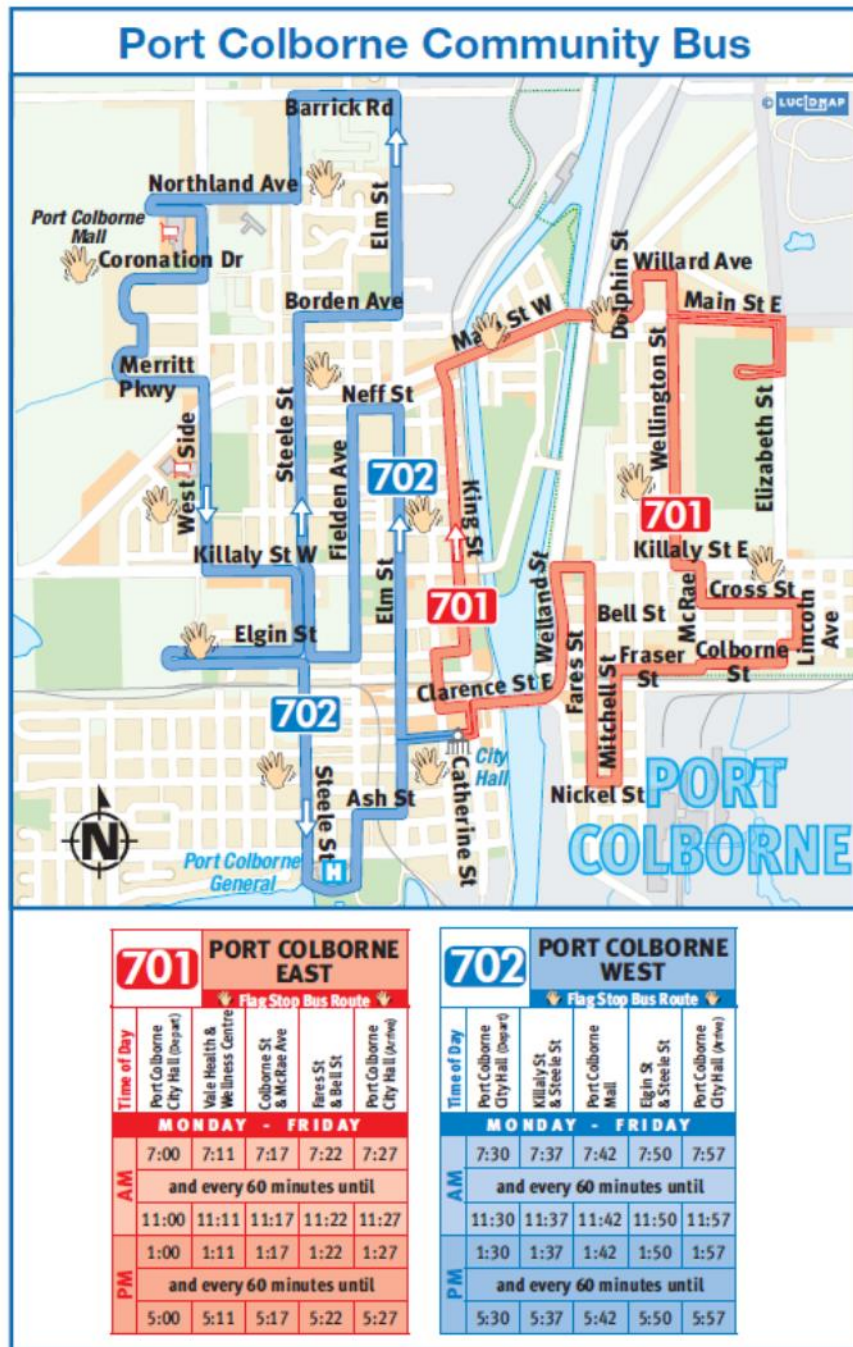
905-835-2900 ext. 105

Bryan.Boles@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.

Report 2021-15 Appendix A Current Transit Route



Please see City of Port Colborne or Welland Transit web site for fare structure information for Port Colborne Community and Link bus services

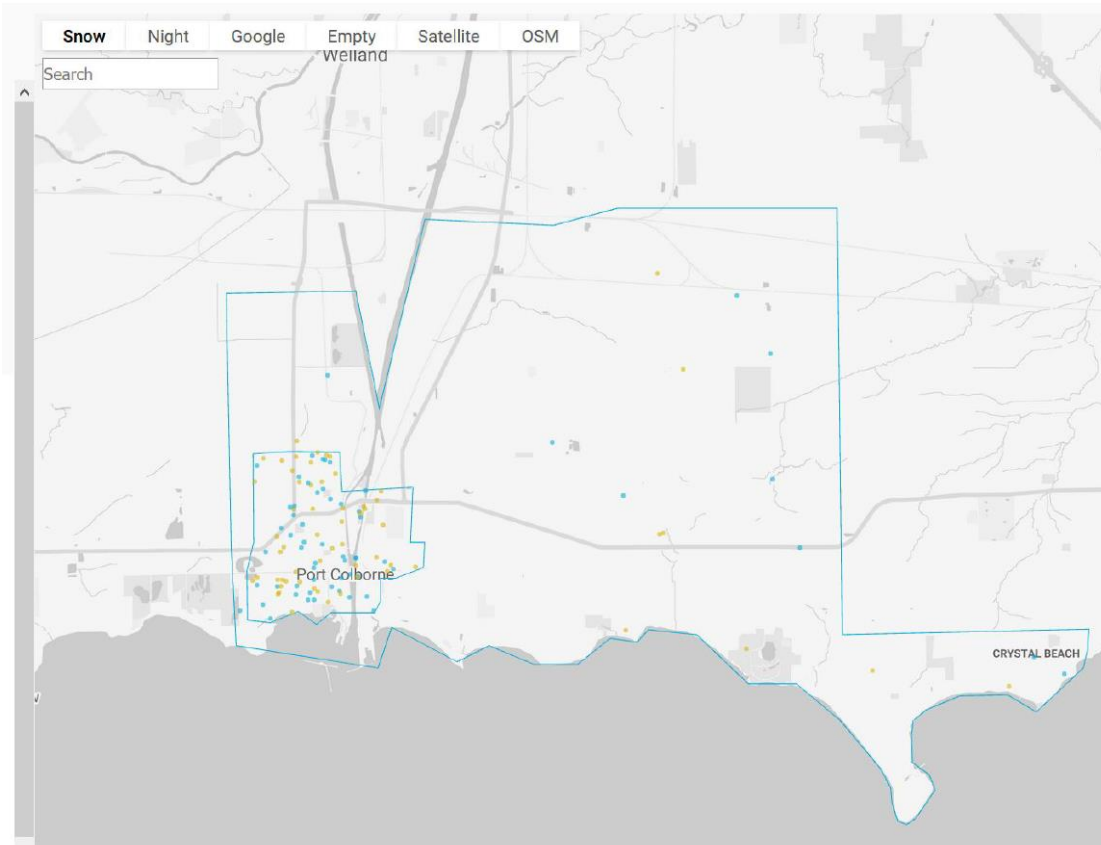


Flag Stop for Port Colborne only

You can board the bus by waving to the driver as the bus approaches. Look for the waving hand symbol on the maps, which highlights areas where Flag Stop is in effect.

Report 2021-15 Appendix B

Proposed Service Map (Port Colborne going into Fort Erie Crystal Beach Area)



Note the map above was created by the Niagara Region's service provider. The Service area is outlined by the blue line around the City. An additional blue line around the more densely populated area of the City highlights where the greater portion of rides are anticipated. The dots being blue and yellow indicate algorithmic pick-up and drop-off examples used to calculate the average wait time of 8 minutes and walking distance to a pick-up location of 55m to 80m.

Most importantly this map highlights this transit proposal would service all of the City and not just the central urban area.

Subject: Approval of Public Works Single Source Purchase Order Requests and Purchase Change Order Requests Exceeding \$100,000

Report to: Public Works Committee

Report date: Tuesday, July 13, 2021

Recommendations

1. That the Single Source Purchase Order Requests identified in Appendix 1 of Report PW 41-2021 **BE APPROVED**.

Key Facts

- At the Special Council meeting on July 30, 2020, Regional Council instructed staff that, “If any single source [Public Works] procurement [over \$5000] is deemed essential there must be approval first received by the Public Works Committee.”
- On August 18, 2020, the CAO provided Confidential Memorandum CONF-C 6-2020 providing key information in response to the July 30, 2020 staff direction. The memo identified that pursuant to a formal competitive procurement process, a change to the resulting contract (via the Change PO process) is required for any additional goods and/or services, which were not part of that formal process (consider Single Source additions). This includes most (if not all) instances where the “work” is underway when a Change PO request initiates.
- At the Council meeting on September 17, 2020, Regional Council approved an increase in the limit to \$100,000 above which approval must first be received by the Public Works Committee.

Financial Considerations

The included Single Source requests have approved funding in place from either Capital or Operating budgets in the respective divisions in Public Works.

Analysis

Niagara Region’s Procurement By-law 02-2016 as amended February 28, 2019 provides controls and methods that ensure, among other things, that the procurement processes undertaken to procure Goods and/or Services achieves, “best value for the Corporation”.

Pursuant to the formal procurement process, which culminates in contract award, there are occasions, when new information identified after award, requires further consideration of how these unforeseen additional requirements will impact the final project deliverable.

When this happens, staff consider the following alternative approaches to addressing the scope change:

1. Is the original project objective still achievable or should it be abandoned?
2. Can the project proceed as originally planned and this new information be deferred to a later time without reducing the integrity of the design, construction, etc.?
3. Is the current work at a point where it can be terminated, and a new competitive procurement for the additional scope items be initiated without excessive costs or negative impacts to the community from the delays?
4. Does the addition of this new work to the current assignment still achieve best value if Staff can validate that it represents fair value?

Staff note, that where a construction project is underway, the Ontario Occupational Health and Safety Act dictates that, "When an owner undertakes a project by contracting with more than one employer (contractor), the owner is undertaking the project and is the constructor." As a result, if Niagara Region were to initiate additional work on a project site at the same time by two contractors, Niagara Region would assume significant additional liability risk for the safety of all workers on the site. Ideally, the work of first contractor must be completed prior second contractor commencing.

Alternatives Reviewed

Staff have considered the following alternatives for each of the change order requests appended as Appendix 1:

- Closing out the current work. Abandoning the previous approach and re-considering strategy;
- Proceeding as originally planned and addressing the new information/change in scope at a later time through a competitive process; and,
- Terminating the current contract where possible and conducting a competitive procurement process to complete the work with the additional scope items added.

Staff conclude that none of the aforementioned options achieves the desired best value outcome without significant risk to the Region in terms of cost, delay and unavailability of critical infrastructure. Staff have assessed the financial impact of these additionally scoped items, deemed them fair and reasonable hence, the recommendation contained herein is presented for approval as it offers the best value for the Corporation given in the specific circumstances.

Relationship to Council Strategic Priorities

- Responsible Growth and Infrastructure Planning

Other Pertinent Reports

- CONF-C 6-2020, July 30, 2020 Closed Session - Update from Special Council Meeting
- PW 42-2020, September 8, 2020 - Approval of Various Single Source Public Works New Purchase Orders and Purchase Order Change Request
- PW 45-2020, October 13, 2020 - Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 47-2020, November 10, 2020 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 3-2021, January 12, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 7-2021, February 16, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 13-2021, March 9, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 17-2021, April 13, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 25-2021, May 11, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 27-2021, June 15, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000

Prepared and Recommended by:

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Dan Ane, Manager Program Financial Support and Bart Menage, Director Procurement and Strategic Acquisitions

Appendices

Appendix 1 Single Source Purchase Order Requests

Purchase Order Requests for Approval

1. Request: Sole source purchase of Wastewater Treatment Facility Optimization and training consulting services

Supplier: GFI (Global Facilitation Incorporated)

Increase original sole source purchase of optimization and training services for GFI (Global Facilitation Inc.) from \$300,578.52 by \$47,364 for a new total of \$347,942.52 (exclusive of HST).

Rationale for Purchase

The Niagara Falls Wastewater Treatment Plant (NFWWTP) experienced a state of decline following an anaerobic digester failure in July of 2017. As a result of this event, persistent effluent non-compliance prevailed at the facility throughout 2017 and 2018. To this effect, Ministry of Environment, Conservation and Parks (MECP) issued a Provincial Officers Order against the NFWWTP in late 2018 to evaluate the operational state of the facility and to develop corrective actions to improve the overall facility operation and effluent quality.

In 2018 Niagara Region Wastewater operations staff engaged Global Facilitation Inc. to provide an immediate optimization and corrective program to align with MECPS requirement and ultimately remedy effluent non-compliance issues at the NFWWTP Facility.

This request for a sole source purchase, in accordance with Niagara Region Procurement By-law 02-2016 as amended on February 28, 2019, is to maintain programming at the site, for training staff in the proficiency of its use and in the interpretation of the data derived to make informed process control decisions.

When initially installed, the programming and support proved very beneficial. The site went from 16 non-compliance incidents from March 2018 to March 2019, to zero (0) events for the following 24 months.

Alternatives Reviewed

- (i) Do nothing – Our Regulators, namely the MECP have issued orders to comply against the Region and this facility as a result of the historic non-compliances and are threatening to further this action by way of more orders and/or fines if we are not able to meet compliance.
- (ii) Procurement strategy under review – We are required to meet conditions in the Environmental Compliance Approval (ECA). As such, a situation of

urgency exists and these services cannot be obtained in time by means of open procurement processes.

Funding Source

Funding source for this work will come from the operating budget for Niagara Falls Wastewater Treatment Facility, DeptID: 68100

MEMORANDUM

PWC-C 25-2021

Subject: Recommendations for Consideration from the Waste Management Planning Steering Committee meeting held June 28, 2021

Date: July 13, 2021

To: Public Works Committee

From: Ann-Marie Norio, Regional Clerk

At its meeting held on June 28, 2021, the Waste Management Planning Steering Committee passed the following motion for consideration by the Public Works Committee:

Minute Item No. 5.1

WMPSC-C 23-2021

Blue Box Lids and Covers

That Report WMPSC-C 23-2021, dated June 28, 2021, respecting Blue Box Lids and Covers, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That staff **BE DIRECTED** to continue promoting the availability of recycling box lids and covers through public retail and on-line outlets, using Regional communication avenues, in place of offering recycling box lids or covers.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

Subject: Blue Box Lids and Covers

Report to: Waste Management Planning Steering Committee

Report date: Monday, June 28, 2021

Recommendations

1. That the Waste Management Planning Steering Committee **RECOMMEND** to the Public Works Committee the following:
 - a) That staff **BE DIRECTED** to continue promoting the availability of recycling box lids and covers through public retail and on-line outlets, using Regional communication avenues, in place of offering recycling box lids or covers.

Key Facts

- This report is a response to a request from Councillor Foster at the April 13, 2021 Public Works Committee meeting for staff to reinvestigate nets as covers for curbside recycling boxes to support the reduction of litter observed in Niagara region communities.
- Niagara Region permits the use of alternate containers, including lids and covers, within the criteria of the Waste Management By-Law, to contain recyclable materials.
- Municipal pilot programs that tested the use of lids and covers on recycling boxes saw: low usage rates; overfilling of containers causing spilled materials upon collection; slower collection rates and injury to collection staff; compatibility issues between boxes and covers of different sizes; and loose and lost covers resulting in requests for replacement.
- Niagara's own pilot project in 2019/2020 resulted in the same conclusions as other municipal pilots.
- On June 3, 2021, the Government of Ontario finalized the Blue Box Regulation under the Resource Recovery and Circular Economy Act, 2016 requiring producers to operate and fund the collection and processing of residential blue box materials. Under this new framework the residential Blue Box program could look very different from Niagara's current box-based recycling program. Niagara's residential Blue Box program will transition over to the new framework on January 1, 2024.

Financial Considerations

Based on the budget pressures and restrictions that will continue into 2022, and the uncertainties presented by COVID-19, Waste Management Services continues to deliver essential services to our residents, businesses and community partners. Although the few municipalities that offer recycling box covers do so at full cost recovery, the issue of box lid/cover loss (dumped into collection trucks or blown away) will initiate a demand for free replacements.

Analysis

Municipalities Using Recycling Box Covers

Appendix A provides a list of those municipalities that are currently offering recycling box covers or a container with a lid as an option to residents. These five municipalities are offering the sale of optional recycling box covers/lids to residents at full cost. While most have noted that the covers help keep material from escaping when the boxes are blown over, they have also stated that use of the covers slows down collection times; and allows residents to overfill the containers causing the material to spill out once the covers are removed. These municipalities also noted that there has been low uptake for lids and covers.

Another observation included the complications in offering one standard lid to residents due to new procurement processes/vendors resulting in new recycling box sizes every few years. In order to avoid this problem, one municipality offers an optional mesh net that can be used on different sized containers. However, they have also noted, similar to the municipalities offering lids, that the collection contractor has expressed concerns regarding the increased time needed for collection with nets, as well as the tendency for residents to overfill these covered containers causing the material to spill out during collection. This spillage can add to the litter problem.

Municipalities that Decided Against Using Recycling Box Covers

Municipalities that have considered a cover for recycling boxes have to contend with the light nature of these covers and how they can be easily lost, accidentally deposited into recycling trucks, or blown away by wind. Additionally, consideration has to be made regarding the negative impact on collection efficiency rates and the impact on collection staff (i.e. difficulty maneuvering lids/covers with gloves, injury when nets snap back).

Appendix B lists a number of municipalities that considered the use of covers, but ultimately did not proceed with them. A number of concerns are cited in the appendix, however the most significant issues are noted below:

- Overfilling/overloading by residents caused material to spill when the covers were removed leading to increased litter
- An increase in collection times up to five seconds per household in comparison to the standard recycling box
- Covers were the least favourite resident option, when compared to the 121 L round container with a lid and transparent plastic bags
- Hard covered lids can only be used together with a recycling box that was manufactured by the same manufacturer
- Loose and lost covers can become part of the overall litter problem
- Despite some nets being attached with screws to recycling boxes, the nets still have a tendency to come off of the box and wind up in the truck with the recycling material
- Nets were found to be inefficient and difficult to remove by collection staff in the winter when collection staff are wearing gloves. In the summer, nets tend to snap back at the collection staff causing injury

Niagara Region's waste management staff piloted the use of lids in 2019/2020. Three months after the pilot was completed, only 11% of households were using the lid. Of those pilot households not using the lid, 20% were using clear bags or stacking their boxes to prevent recyclables from blowing around.

Staff recently looked at the recycling box net manufactured in England (recycleboxes.co.uk). This is a string net that stretches over the recycling box made of nylon with an elasticized fabric band to hold it around the box and 'grab and pull' release ribbons. Based on the experience of other municipal pilots, despite the style of the net, the same repeat issues are recognized (extra time to collect; residents overfilling boxes adding to litter problem upon collection; lost nets; replacement costs/concerns).

Collection Contracts

With respect to the use of recycling box covers/lids, Niagara Region's current collection contract states: *"Property Owners may use covers, such as lids or netting, for their Blue/Grey Boxes to prevent materials from blowing out. At present, a minority of property Owners use covers. The Successful Proponent must remove covers with care, so not to cause damage to them. If covers are completely removed by the Successful*

Proponent, the covers must be placed inside the empty Blue/Grey box and returned to the original set-out location.”

Collection staff from both of the Region’s current contractors have indicated a preference for clear bags over recycling box lids/covers to control the potential for litter. While clear bags can support containment of recycling material placed at the curb and reduce litter, clear bags also contribute to higher levels of contamination in the recycling stream as residents may combine both grey box and blue box materials inside of one bag. Clear bags also reduces the efficiency and productivity of the process. As such, recyclable items placed loose in curbside boxes is preferred as it supports a reduction in residue and a reduction in processing costs.

Both Niagara’s current collection contractors have been involved in pilots in other municipalities, and each contractor noted experiences with lids and covers that became warped/damaged or had been blown away by wind. Also noted was a rise in complaints from residents wanting replacements for the lost or damaged recycling box lids/covers. One Region contractor had concerns about a possible decrease in productivity should the prevalence of covers or lids increase; while the other Region contractor highlighted possible health and safety concerns as a result of the repetitive motion involved with routinely removing the recycling box lids/covers if the use of these lids became more wide-spread.

Both Niagara Region’s current collection contractors are performing well. Staff are concerned that the introduction of widespread recycling box covers may negatively impede their performance.

Extended Producer Responsibility

The Government of Ontario has finalized the Blue Box Regulation under the Resource Recovery and Circular Economy Act, 2016, on June 3, 2021 requiring producers to establish, operate and fund residential Blue Box collection and processing systems. The new responsibility framework and collection model in Niagara will be determined over the next two years and will be initiated on January 1, 2024.

The new framework operated by Producers could look very different from Niagara’s current box-based recycling program. Producers may not want recycling box covers due to the potential to slow down curbside collection and the probable need to continually replace covers for residents.

Current Approach

The current educational and promotional approach to dealing with wind-blown litter from curbside recycling boxes includes the following:

- Providing recycling boxes with a larger capacity of 83 litres to minimize the overfilling of recyclables
- Allowing alternate containers with a lid that is clearly marked 'Recycling' as an alternative recycling container, similar to the 121 L containers that are permitted in Richmond Hill, the City of Greater Sudbury and in Ottawa Valley
- Using clear bags - however clear bags are not preferred due to the negative impact on the Recycling Centre operations
- Advising residents that they are able to purchase and use their own recycling box covers and that these can be purchased at local department stores or through on-line vendors, for minimal cost
- Reminding residents that there are no limits to the quantity of recyclables that they are allowed to place at the curbside; and if conditions are windy, advising them to consider holding on to their recycling for set out the following week
- Reminding residents through promotional and educational outlets not to place containers or bags on top of, or behind snowbanks and instead shovel out a space for their waste and recycling material at the curb
- Using social marketing and outreach initiatives to encourage good recycling box set-out practices (i.e. placing heavier materials on top of lighter materials), and the promotion anti-litter campaigns
- Allowing for other containers as permitted in the Regional Waste Management By-Law, providing that they meet the following criteria:
 - Height: 3 feet (91 cm) or less
 - Diameter: 2 feet (61 cm) or less
 - Weight: 22.7 kg (50 lbs.) or less when full
 - Handles: Must have handles to pick up container

An information page has been developed and posted on Niagara Region's website to communicate the above tips to combat litter from curbside waste and recycling placement. The web page reminds residents that they are able to purchase and use their own recycling box covers/lids and that these can be purchased at local department stores such as Canadian Tire and Home Depot for a minimal cost.

Review

Based on the following Niagara Region recommends continuing with the current educational and promotional approach and not distribute covers/lids for curbside recycling boxes.

- results of the municipal blue box lid trials (including Niagara's);
- the potential impact to the safety and efficiency of collection staff;
- the availability of recycling box lids and covers in popular department stores/on-line at reasonable prices, and
- the uncertainty of the collection processes after the Residential Blue Box program transition to the Extended Producer Responsibility framework.

Alternatives Reviewed

Staff researched other municipal programs to determine use and effectiveness of lids and covers. Niagara Region also undertook a pilot to trial covers and lids in 2019 and 2020. Based on the content of this report, including the results of a Niagara Region pilot project, Staff are not recommending that Niagara Region distribute covers or lids for curbside recycling boxes.

Relationship to Council Strategic Priorities

The Region's recommendation to not use curbside recycling box lids/covers supports Council's strategic priority of Responsible Growth and Infrastructure Planning. Promotion of anti-litter strategies, as well as the use of alternate containers, and the availability of recycling box lids and covers at common retail outlets will encourage those that are interested in these tools to use them as we wait on large scale transition plans of the Blue Box program to full producer responsibility beginning in Niagara on January 1, 2024.

Other Pertinent Reports

Previous updates on recycling container covers and options to reduce windblown litter were presented to the Waste Management Planning Steering Committee on:

- July 7, 2014: WMPSC-C 28-2014;
- June 26, 2017: WMPSC-C 25-2017;
- February 25, 2019: WMPSC-C 11-2019;
- October 28, 2019: WMPSC-C 37-2019; and

- February 22, 2021: WMPSC-C 11-2021

These memos outline the Region's consideration of recycling container cover options; the pros and cons related to these options; and the evaluation regarding recycling carts with lids. The memos also summarize the progression and development of how Niagara Region has addressed the issue of litter; Niagara's blue box lid pilot; and the results of recycling box cover pilots in other municipalities.

Prepared by:
Lucy McGovern
Collection and Diversion Program
Manager
Waste Management Services

Recommended by:
Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was reviewed by Dan Ane, Manager Program Financial Support and Catherine Habermehl, Director of Waste Management Services.

Appendices

- | | |
|------------|--|
| Appendix A | Municipalities Currently Using Recycling Blue Box Covers |
| Appendix B | Municipalities Which Considered Using Recycling Box Covers |

Municipalities Currently Using Recycling Box Covers

Municipality	Manufacturer/ Cover Type	Method of Purchase	Additional Comments
Oxford County (population: 110,900) 2016	<ul style="list-style-type: none"> - Peninsula Plastics - Hard plastic cover - Fits 16 and 22 gallon boxes 	<ul style="list-style-type: none"> - The covers are sold at municipal offices only - Sold for \$2.70 each (price not subsidized) 	<ul style="list-style-type: none"> - Lids used more by residents in rural areas - Estimate participation rate to be about 25% - Encourage residents to secure material by placing heavier items on top and avoiding setting out on windy days.
Richmond Hill (population: 235,025) 2020	<ul style="list-style-type: none"> - Busch Systems - 32 gal. round container with lid 	<ul style="list-style-type: none"> - Round container with lid available for \$42.04 inclusive of HST 	<ul style="list-style-type: none"> - Large round container with lid was preferred by residents over standard blue box with lid - Do not provide separate lids. Lids only sold together with container - Small uptake, likely due to higher price point - City allows residents to buy different 121 litre round containers with lids from retailers, as long as they are blue - Noted that collection contractor reserves right to charge an additional fee for collection if these containers become common
Simcoe County (population: 307,100) 2016	<ul style="list-style-type: none"> - Various lids as the lid must change based on the changes in blue box vendors. 	<ul style="list-style-type: none"> - Lids available upon request and sold through customer service department - Can be purchased for \$5 - No subsidy 	<ul style="list-style-type: none"> - Each blue box vendor sells a corresponding lid. With each new box contract, lids must change which is problematic. - Lid is generally purchased subsequent to the boxes - Only sell about 1 to 2 lids each year, but that is likely a result of the lack of promotion. - Not making them widely available because it slows down collection.

Municipality	Manufacturer/ Cover Type	Method of Purchase	Additional Comments
			<ul style="list-style-type: none"> - Promotion of stacking recycling boxes with lighter material in the bottom box.
<p>City of Greater Sudbury (population: 161,531) 2016</p>	<ul style="list-style-type: none"> - Busch Systems - “Big Blue” round 121 litre blue can with cover (single stream) 	<ul style="list-style-type: none"> - Big Blue with lid is sold for \$10 from the Recycling Centre and from Citizen Service Centres - City subsidy on Big Blue container of \$22 per unit until 2026 - Replacement lids sell for \$12 each - no subsidy - Recycling boxes with no cover are still available for use – no charge 	<ul style="list-style-type: none"> - Typical box lids are not interchangeable with different sized recycling boxes. - The City did not want to give away a free lid with every recycling box due to cost. - Tried nets, but they injured collection staff when they snapped open - Residents needed to install nets on boxes with screws. In cold weather, boxes would crack and break more easily at the installation point. - Nets are more expensive than the recycling boxes - Limited interest in Big Blue containers with lids, despite hefty subsidy. Between 1,000 to 1,500 are sold each year. - City suggest that residents write address on lid and container in case they blow away. - Residents are dismayed at the \$12 Big Blue lid replacement cost
<p>Ottawa Valley Town of Petawawa:</p>	<ul style="list-style-type: none"> - VIP Group Enviroweb Mesh Nets 	<ul style="list-style-type: none"> - Available for sale at Ottawa Valley Waste Recovery Centre and through the 	<ul style="list-style-type: none"> - Nets can be used on recycling boxes and on 121 litre yellow containers - While the nets work when the containers blow over to keep material in, residents can overfill

Municipality	Manufacturer/ Cover Type	Method of Purchase	Additional Comments
<p>population 17,187) 2016</p> <p>Township of Laurentian Valley: population 9,387) 2016</p> <p>Pembroke: population 13,882) 2016</p>		<p>municipalities for \$6.00</p>	<p>the containers and when the nets are removed, the material spills out.</p>

Municipalities Which Considered Using Recycling Box Covers

Municipality	Reasons for Not Pursuing Recycling Box Covers
<p>Town of Markham (population: 328,966)</p>	<p>The Town decided not to provide recycling box covers for the following reasons:</p> <ol style="list-style-type: none"> 1) The contractor found the blue box covers unsuitable, as residents tended to overfill them and material would spill when cover was removed; and 2) In winter, the covers became sticky from residue and material would stick to them, especially if snowing and freezing. <p>The Town will also not be allowing residents to use blue bags for recycling, as the York Region Material Recovery Facility will not accept bags.</p>
<p>Region of Peel (population: 1,382,000)</p>	<p>The Region decided not to provide recycling box covers for the following reasons:</p> <ol style="list-style-type: none"> 1) The areas with the blue box covers had the highest collection time with an increase in up to 5 seconds per household, in comparison with a standard recycling box; 2) Improper use of netted recycling boxes including overloaded netted boxes; 3) Significant annual increase in collection costs for mesh nets and plastic bonnets (\$3.6 million); and 4) Covers were least favourite of three container type options (other two were 121 litre container and blue plastic bags) by collection staff. <p>The Region of Peel switched to a bi-weekly recycling cart-based collection system as part of its new collection contract, which commenced in 2016. Organic carts are collected on the alternate weeks as recycling carts.</p>
<p>City of Kingston (population: 129,653)</p>	<p>The City tested three types of covers in a 2013 pilot of 100 households:</p> <ol style="list-style-type: none"> 1) Peninsula Plastics snap-on cover, which can only be used with Peninsula Plastic brand recycling boxes; 2) The EnviroWeb mesh net, which can be used on most standard curbside recycling boxes; and 3) The KITEE fabric cover, produced by a local resident, which can be used on most standard curbside recycling boxes. <p>Based on the results of this pilot, it was determined that it would not be feasible to introduce the covers due to the extra time that would be added</p>

Municipality	Reasons for Not Pursuing Recycling Box Covers
	to collection routes and the potential for increased costs for collection. The City would not consider allowing covers as part of their next contract.
Region of Halton (population: 548,435)	<p>The Region considered doing a pilot project in 2010, but decided against it for the following reasons:</p> <ol style="list-style-type: none"> 1) The research the Region did on available covers at the time was not conclusive; and 2) The cost and time involved in doing a study was prohibitive. <p>Instead, the Region decided to focus on promotion and education measures to educate residents on how to avoid litter issues.</p>
City of Kawartha Lakes (population: 190,000)	<p>The City of Kawartha Lakes used to offer hard metal recycling box covers to residents for purchase for \$5. The City stopped offering this service as their supplier (Green Marketing Co.) for the hard metal covers stopped producing this product. The City of Kawartha Lakes noted that there was minimal interest from residents in purchasing these lids.</p>
County of Essex (population: 181,53)	<p>The County of Essex conducted a 3 month pilot project on 200 houses in the County and City. The pilot tested using the plastic, elasticized Bonnet to cover the Blue Box. The project was completed in 2008. At the time the product was not available by retail and cost approximately \$4.50 for a package of three. The County of Essex does not currently offer Blue Box covers or lids.</p>
Region of Durham (population: 645,862)	<p>In June of 2018, Region staff recommended a pilot project to reduce Blue Box related litter through a combination of education and the provision of additional bins to residents. Staff recommended against Blue Box lids for the following reasons:</p> <ol style="list-style-type: none"> 1) Blue box lids have not worked in the past as the lids come off and become part of the litter problem. 2) Attached lids present a pinch point hazard to recycling collectors 3) Mesh covers encourage residents to overfill boxes, leading to increased litter when the cover is removed by the collector and the compacted recycling falls out of the container. <p>In 2019, recycling box lids were distributed to 400 homes. In the fall of 2020, a litter audit was completed and it was found that only 24 households (6%) were using the provided lids. The low participation made it difficult to</p>

Municipality	Reasons for Not Pursuing Recycling Box Covers
	<p>evaluate the relationship between the litter generated and the presence of lids. Additional lids have been distributed to 600 additional homes and a follow up audit was completed in the Spring of 2021. Durham will determine how they proceed once the results of the follow up audits have been tabulated.</p>
<p>Niagara Region (population: 447,888)</p>	<p>In November 2019 one blue box and rigid lid was distributed to 349 homes with a promotional card and survey to educate on the use of the provided tools to reduce litter caused by recycling set outs. Three months after distribution in February 2020, only 72 households (21%) were observed to be using the lids in week one, and that shrunk to only 39 households (11%) using the lids in week 2. Of those pilot households that were observed <u>not</u> to use the provided box and lid, other litter reducing tactics were found to be practiced by 20% of the pilot households (i.e. stacking boxes and clear bags).</p> <p>Based on the uncertainty of the collection processes after the transition to the EPR framework, the poor results of the municipal blue box lid trials; the potential impact to the safety and efficiency of collection staff; and the availability of recycling box lids and covers in popular department stores at reasonable prices, Niagara Region did not recommend the use of recycling box covers.</p>

**THE REGIONAL MUNICIPALITY OF NIAGARA
WASTE MANAGEMENT PLANNING STEERING COMMITTEE
MINUTES**

**WMPSC 3-2021
Monday, June 28, 2021
Meeting held by Video Conference**

Committee Members Present: Councillors Bradley (Regional Chair), Butters, Diodati, Edgar, Fertich, Gibson, Rigby, Ugulini (Committee Chair), Witteveen (Committee Vice-Chair); J. Bacher, H. Washuta

Absent/Regrets: Bellows

Staff Members Present: D. Ane, Manager, Program Financial Support, C. Habermebl, Director, Waste Management Services, B. Hutchings, Program Financial Analyst, L. McGovern, Program Manager, Waste Management Services, A. Mosca, Waste Management Engagement & Education Coordinator, S. McPetrie, Waste Management Services Advisor, A. Powell, Waste Management Business Support Analyst, S. Tait, Program Manager, Waste Management Services, L. Torbicki, Manager, Waste and Policy Planning, M. Trennum, Deputy Regional Clerk, C. Ventura, Legislative Coordinator, B. Whitelaw, Program Manager, Waste Management Services, A. Winters, Waste Disposal Operations Program Manager, B. Zvaniga, Interim Commissioner, Public Works

1. CALL TO ORDER

Committee Chair Ugulini called the meeting to order at 9:01 a.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

3.1 Waste Management Service Operating Budget Consideration 2021-2022

Catherine Habermebl, Director, Waste Management Services, and Blair Hutchings, Program Financial Analyst, provided information respecting Waste Management Services Operating Budget Considerations 2021-2022. Topics of the presentation included:

- Current Operating Budget Strategy
- Budget Composition (2021)
- 2021 Budget Mitigations
- 2022 Budget Pressures & Opportunities

- Future Budget Considerations
- Waste Management Reserve Projections
- 2022 Budget Process and Timetable

Councillor Information Request(s):

Provide information respecting the cost per household of the 9.98% budget planning strategy. Councillor Witteveen.

3.2 Residential Blue Box Program - Final Producer Responsibility Regulation

Sherri Tait, Program Manager, Policy and Planning, provided information respecting Residential Blue Box Program - Final Producer Responsibility Regulation. Topics of the presentation included:

- Next Steps - Blue Box Transition
- Regulation Recap
- Transition Schedule
- Draft vs. Final Regulation
- Management Requirements
- Considerations & Decision Points

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

5.1 WMPSC-C 23-2021

Blue Box Lids and Covers

Moved by Councillor Edgar

Seconded by Councillor Gibson

That Report WMPSC-C 23-2021, dated June 28, 2021, respecting Blue Box Lids and Covers, **BE RECEIVED** and the following recommendation **BE APPROVED**:

That the Waste Management Planning Steering Committee **RECOMMENDS** to the Public Works Committee:

1. That staff **BE DIRECTED** to continue promoting the availability of recycling box lids and covers through public retail and on-line outlets, using Regional communication avenues, in place of offering recycling box lids or covers.

Carried

6. CONSENT ITEMS FOR INFORMATION

Moved by Councillor Diodati
Seconded by Councillor Rigby

That the following items **BE RECEIVED** for information:

WMPSC-C 21-2021
Councillor Information Request

WMPSC-C 22-2021
Ontario Waste Management Association State of Waste in Ontario - Landfill
Report

WMPSC-C 24-2021
Hazardous and Special Products (HSP) Regulation

WMPSC-C 25-2021
Humberstone Landfill Public Liaison Committee meeting notes - May 5, 2021

WMPSC 2-2021
Waste Management Planning Steering Committee Minutes - April 19, 2021

Carried

7. OTHER BUSINESS

There were no items of other business.

8. NEXT MEETING

The next meeting will be held on Monday, August 30, 2021 at 9:00 a.m.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 10:37 a.m.

Councillor Ugolini
Committee Chair

Chris Ventura
Legislative Coordinator

Ann-Marie Norio
Regional Clerk

Residential Blue Box Program – Final Producer Responsibility Program

Public Works Committee
PWC-C 24-2021

July 13, 2021

Sherri Tait, Waste Management Program Manager

Residential Blue Box Program – Final Producer Responsibility Regulation

Public Works Committee

July 13, 2021



Regulation Recap

- Niagara Region has been advocating for the transition of the Blue Box to a producer responsibility framework for many years and both municipalities and producers desire change and support the shift.
- On June 3, 2021, the Ministry released the final regulation.
- While not all municipal comments were addressed with the final Blue Box regulations, the Province did respond to many of the concerns identified by municipalities.

Regulation Recap cont'd

MECP has addressed the following the final regulation:

1. Definition and scope of designated materials;
2. Collection and accessibility requirements;
3. Determining responsible producer;
4. Management requirements that producers must meet; and
5. Transition Schedule

Regulation Recap cont'd

- Niagara Region to transition no later than January 1, 2024.
- During transition (January 1, 2023 – December 31, 2025) producers are obligated to maintain existing service levels in Niagara region (i.e. collection frequency).
- Post-transition (i.e. starting January 1, 2024) Niagara Region will have no operational program or financial control over the residential Blue Box program

Considerations & Decision Points

Provision of Collection and Haulage Services on Behalf of Producers

- It is expected that producers will be interested in having municipalities provide Blue Box services on their behalf, should mutually agreeable terms be negotiated.
- Primary factors influencing decision to enter into an agreement for collection services on behalf of a producer:
 - Full payment by producers
 - Reasonable and quantitative measures for standards and requirements
- Estimated annual savings (based on 2021 budget and current funding model) for collection and processing of the residential Blue Box program is \$7.8 million.
- Year 1 savings would be reduced due to compensation to contractors for partial early exit of contract by approx. \$6 million (based on 2021 budget).

Considerations & Decision Points cont'd

Transition Schedule

- Niagara Region could engage with producers to transition at an earlier date.

Material Recovery Facility

- Completion of the MRF Opportunity Review is required to finalize decisions related to the processing of Blue Box materials.

Service for Non-Obligated Materials

- Niagara Region would be solely responsible for collection, haulage and processing costs of non-designated materials (ex. food storage bags, books (hard cover removed)).
- Removal of currently accepted materials may generate confusion for residents but it may be difficult to find a processor for non-obligated material.

Considerations & Decision Points Cont'd

Servicing Additional Property Types

- Service to IC&I properties is not covered under regulation.
- Separate regulations related to IC&I properties will also impact how this service is provided longer-term.
- A C/B analysis must be completed.
- Decision to service these properties may hinge on:
 - Niagara Region's decision to bid on collection and haulage; and
 - Potentially availability of a processing facility to take material (dependent on outcome of MRF Opportunity Review).
- Based on several assumptions and the 2021 budget, the collection and processing costs for the IC&I sector is approximately \$3.7 million. Further refinement of assumptions may impact this cost.

Considerations & Decision Points Cont'd

Service at Depots

- Producers are not obligated to provide depot service if curbside collection provided; however, may choose to if required to meet diversion targets.
- May choose to continue with the service for community benefit but may need to find processor.
- Potential costs related to depot reconfiguration requirements based on producer requirements.
- As per PW 23-2020, if Niagara Region retains curbside collection, depot locations should also be retained as part of a comprehensive program.
- In the event that Niagara Region does not manage a curbside program, it is recommended that depots continue to be operated for an interim/transition period and then re-evaluated.
- The portion of depot costs associated with the residential Blue Box program is approximately \$342,000 based on the 2021 budget.

Considerations & Decision Points Cont'd

Promotion and Education

- Niagara Region could negotiate with producers to provide promotion and education functions related to the Blue Box.
- Allows for the continued integrated promotion and education programs and pieces
- The 2020 actual residential Blue Box promotion and education costs were approximately \$250,000.

Set Out Service

- Producers are not obligated to provide set out service to residents; however, Niagara Region may be able negotiate with producer to continue set out service for Blue Box material (at our cost).
- The 2021 budgeted costs for set out service is approximately \$35,000.

Considerations & Decision Points Cont'd

Special Events Recycling

- Producers not required to provide Special Events Recycling which is currently mainly provided by Niagara Region and Niagara Recycling staff
- 2019 special events costs which reflect pre-pandemic activity were approximately \$32,000.
- Continued provision of Special Events Recycling by Niagara Region would be contingent upon Niagara Region securing a processor and securing new service provider when contract with Niagara Recycling ends.

Considerations & Decision Points Cont'd

Public Space Recycling (PSR)

- Producers will be required to maintain service levels during the transition period, including collection from existing PSR locations collected on a residential route.
- After January 1, 2026, producers are only required to supply and collect the number of PSR bins as per the density formula
- LAMs will no longer have a say on location, bin type and collection frequency (Producers required to collect prior to becoming full).
- If LAMs wish to have more PSR bins than required under the regulation, it would be at their sole cost.
- The 2021 budget costs for PSR is approximately \$101,000 which is paid directly by those municipalities requesting this service.

Next Steps

Niagara Region

- Many of the above considerations / decision points will require further detailed analysis (ex. financial implications), negotiations and/or Council approval.
- Attend webinars hosted by the Ministry on Blue Box Regulations.
- Participation in industry sessions and subcommittees related to Blue Box transition.
- Report back to Committee and Council
- Work with municipal partners/stakeholders

Blue Box Transition

- 2021 - 2022 – Stakeholders organize and prepare for producer responsibility
- 2023 - 2025 – Producers take full responsibility

Questions?

MEMORANDUM

PWC-C 24-2021

Subject: Residential Blue Box Program – Final Producer Responsibility Regulation

Date: Tuesday July 13, 2021

To: Public Works Committee

From: Sherri Tait, Program Manager, Policy & Planning

The purpose of this memorandum is to provide Public Works Committee with information on the final regulation for the residential Blue Box program.

Key Facts

- On June 3, 2021, the Province released the final Blue Box regulation [Blue Box regulation](https://www.ontario.ca/laws/regulation/r21391) (<https://www.ontario.ca/laws/regulation/r21391>) following consultation on the draft new regulation under the Resource Recovery and Circular Economy Act (RRCEA) on which Niagara Region submitted comments in December 2020 (as per PW 48-2020).
- The final Blue Box regulation defines a timeframe for transition, ensures a common collection system, designates materials to be collected, standardizes materials accepted in the Blue Box, identifies eligible sources, sets effective targets and promotes increased diversion from the landfill.
- Staff have undertaken a review of the regulation, and have noted the differences between the draft and final regulation in this memo and identified how Niagara Region's previous comments were addressed in Appendix 1. In general, the majority of the changes made to the final regulation do not have a significant impact on municipalities.
- Under the regulation, Niagara Region would transition from the current Blue Box program to the full producer responsibility model no later than January 1, 2024.
- Under the draft regulation, the producer shall establish a collection and management system of designated materials and it is expected that producers will be interested in having municipalities provide Blue Box services on their behalf, should mutually agreeable terms be negotiated. Niagara Region will engage in discussions with producers and/or PROs to continue collection services as part of the integrated collection system and report to Committee with a recommendation.

-
- Additional considerations and/or decision points that will need to be made related to the Blue Box regulation (ex. to continue to collect non-obligated materials, to continue to collect Blue Box material from non-eligible sources etc.) are outlined in this report.

Background

Under the Resource Recovery and Circular Economy Act (RRCEA), the Province is shifting to a full producer responsibility framework for products, packaging, and packaging-like products, making producers and brand holders accountable for recovering resources and reducing waste associated with products. The Waste Diversion Transition Act, 2016 (WDTA) allows for the products and packaging currently managed under existing waste diversion programs to be transitioned to the new full producer responsibility framework. The Resource Productivity and Recovery Authority (RPRA) was created to support the transition to a circular economy and waste-free Ontario through oversight of existing waste diversion programs, including the Blue Box Program, and the transition of recycling programs to full producer responsibility models per the RRCEA. The RPRA will be responsible for oversight and enforcement of the residential Blue Box regulation, ensuring that expected outcomes are met by producers.

As per PW 23-2020, in order to support development of the regulation associated with the framework, and to begin planning for transition, Association of Municipalities of Ontario (AMO) had requested that municipalities with residential Blue Box programs notify AMO and MECP of both preferred transition date and of intent to consider provision of collection, haulage, and/or processing of Blue Box materials on behalf of producers after transition.

As per report PW 23-2020, Niagara Region's preferred date to transition the residential Blue Box program to full producer responsibility was January 1, 2023, and expressed interest in providing curbside and depot Blue Box collection and haulage services on behalf of producers, subject to mutually agreeable commercial terms, including service duration.

On October 19, 2020, the Province released a draft new regulation under the RRECA and amendments to the Regulation 101/94 to the Environmental Registry of Ontario (ERO) for a 45 day comment period. As per PW 48-2020, staff undertook a review of the draft regulation and submitted comments on December 3, 2020.

On June 3, 2021, the Province released the final regulation. As part of the analysis of the final regulation, a comparison to the draft regulation was completed to note any

differences and also to determine how Niagara Region comments on the draft regulation were addressed. The results are highlighted below and in the majority of cases, changes do not have a significant impact to municipalities.

Niagara Region's Previous Comments on the Draft Blue Box Regulation

Niagara Region has been advocating for the transition of the Blue Box to producer responsibility framework for many years and both municipalities and producers desire the change and support the shift. While not all municipal comments were addressed with the final Blue Box regulation, the Province did respond to many concerns identified by municipalities during the extensive consultation process prior to the release of the draft regulation, including the following:

- A broad list of designated materials to be collected and managed by producers.
- The harmonized approach to material collected throughout the Province as this will help reduce confusion for residents and increase efficiencies related to promotion and education material.
- The inclusion of multi-residential, public and private schools, a subset of long term care facilities, retirement homes, etc. and specified public spaces as eligible sources.
- The three year transition period with one-third of municipalities transitioning at a time, helping to modulate the cost of the program to producers.
- That the curbside collection system must remain in place for the existing programs and expanded where possible.

Appendix 1 provides a summary of Niagara Region's comments on the draft regulation and how they were addressed in the final regulation. A subset of the comments maybe addressed at a later point and/or in another policy/regulation (e.g. designating certified compostable products and packaging, collection from public facing municipal buildings, compliance and enforcement measures, etc.).

Final versus Draft Blue Box Regulation

The final Blue Box regulation defines a timeframe for transition, ensures a common collection system, designates materials to be collected, standardizes materials accepted in the Blue Box, identifies eligible sources, sets effective targets and promotes increased diversion from the landfill.

Generally, the final regulation is consistent with the draft version. There were some notable definition changes, revisions to eligible sources, reduction in diversion targets

for paper and plastics, deletion of recycled content requirements, reduction in material volumes needed for PROs to qualify as a rule creator for the creation of the allocation table and revised requirements for supply of Blue Box receptacles and alternative collection systems. The final regulation also includes a transition schedule with specific transition dates for each community.

Transition Schedule

The draft regulation included a transition schedule that identifies the year eligible communities are to transition and the final regulation included specific dates for transition. Producers would be responsible for transitioning municipalities on or before the dates contained in the schedule.

The preferred municipal transition dates were taken into consideration while trying to balance net program costs and materials managed over the three year transition period.

The transition period will begin on July 1, 2023 and end by December 31, 2025. Niagara Region has been identified to transition no later than January 1, 2024.

The final regulation still requires that producers maintain existing service levels (i.e. materials collected, frequency of collection, etc.) during transition (January 1, 2023 to December 31, 2025) however, it is the current understanding that a community could transition sooner if mutually agreed upon by the producers and the community. Post-transition (i.e. starting January 1, 2026), Niagara Region will have no operational program control over the residential Blue Box program including collection frequency, container type and if the program will be single or dual stream.

Designated Materials

The list of designated material under the draft regulation was expanded compared to the current Blue Box program; however, there have been some changes from the draft to final regulation. The final regulation now excludes a product made from flexible plastic that is ordinarily used for the containment or handling of food such as cling wrap, sandwich bags, or freezer bags. The definition still does include aluminum foil, metal trays, plastic film, plastic wrap, wrapping paper, paper bags, beverage cups, plastic bags, plastic cutlery, straws, and cardboard boxes or envelopes.

Also the definition of alcoholic beverage product and packaging has been expanded. In the draft regulation the definition only included regulated containers as defined in the Deposit Return Program regulation. The final regulation includes all products with their

primary packaging that are alcoholic beverages, non-alcoholic beer, wine and spirits, products and packaging that are imported or supplied by Brewers Retail Inc. and the Liquor Control Board of Ontario or for which they are the brand holders. It also includes the convenience and transport packaging for these products.

The definition of certified compostable product and packaging has been amended to mean material that is only capable of being processed by composting, anaerobic digestion or other processes that result in decomposition by bacteria or other living organisms to add material that is certified as compostable by an international, national or industry standard that is listed in the Blue Box Verification and Audit Procedure. Similar to the draft regulation, producers are not required to collect or manage this material but there are reporting requirements.

Eligible Sources

Public Spaces

The definition of public space was expanded to include transit stations or stops under municipal or provincial jurisdiction as well as outdoor parks, playgrounds or sidewalks, not just in designated business areas.

Producers are required to provide a minimum number of Blue Box receptacles per person in every community based on a density formula which is population of lower tier municipality divided by:

- 400, if the eligible community has a population equal to or greater than 500,000;
- 600, if the eligible community has a population equal to or greater than 30,000, but less than 500,000;
- 800, if the eligible community has a population equal to or greater than 5,000, but less than 30,000; and
- 1000, if the eligible community has a population less than 5,000, with no less than one blue box receptacle in any eligible community.

It is the producer's responsibility to provide Blue Box receptacles appropriate for public spaces, provide repairs or replacements.

Long Term Care and Retirement Homes

Producers are required to provide services at long-term care and retirement homes currently serviced by municipal programs; however in the final Blue Box regulation, for-profit homes are excluded from collection requirements.

Obligations for Curbside Collection

Additional details regarding providing receptacles for Blue Box material are contained within the final regulation. Producers must provide a receptacle at least one week prior to the date producers start collection, repair or replace any damaged receptacles upon request and within one week of the request and provide Blue Box receptacles that are appropriate, including with respect to size.

Alternative Collection System

A new section provides requirements for producers that register an alternative collection system for Blue Box material that includes collection by mail (i.e. pre-paid postage).

Allocation Table

The regulation requires the development of an annual allocation table, according to which the common collection system would be delivered and that identifies which producers are responsible for collection and from which sources. Requirements on how the rules are created for the creation of the allocation table were amended in the final regulation.

PROs must have signed up producers with a combined total of 20,000 tonnes of Blue Box material to qualify as a rule creator where previously it was 10% of total tonnage of Blue Box material supplied to consumers in Ontario.

The rules for the allocation table must have agreement from PROs representing 66% of all producer tonnes at the negotiation stage where the previously the threshold was 90% agreement.

Producers are no longer listed as an entity that can make rules relating to the creation of an allocation table, only the PROs and the Minister can do so.

Creation of the rules for the allocation tables has been revised and has been divided into two separate sections: Creation of Rules and Creation of Allocation Table.

Creation of Rules outlines all of the elements that must be addressed in the creation of the rules for the creation of allocation tables, such as identifying the person that will create the allocation table, setting out the requirements and procedures for creating the allocation table, specifying the length of the collection period that the allocation table will apply to, etc.

Creation of Allocation Table outlines the responsibilities of the person creating the allocation table and the components that must be included in the allocation table. For example, allocation tables must have a collection period that commences July 1, 2023 and include every residence and facility that was an eligible source prior to the date the allocation table is required to be submitted to the Authority. The tables must also have mechanisms to include every residence and facility that will become an eligible source during the collection period covered by the allocation table in accordance with the rules made under the regulation.

Management Targets

The formula for calculating the management requirement has changed in the final regulation. The formula is now the weight in tonnes of the material category that the producer is required to report in the previous year multiplied by the recovery percentage for the previous year. The weight of recycled content and the redistribution factor are no longer incorporated into the equation.

Targets on management requirements for paper materials and rigid and flexible plastic have been reduced as per Table 1.

Table 1: Management Targets by Material Category

<i>Material Category</i>	<i>Target: 2026-2029</i>	<i>Target: 2030 onward</i>
<i>Paper</i>	<i>80% (90% in draft regulation)</i>	<i>85% (90% in draft regulation)</i>
<i>Glass</i>	<i>75%</i>	<i>80%</i>
<i>Metal</i>	<i>67%</i>	<i>75%</i>

Material Category	Target: 2026-2029	Target: 2030 onward
Rigid Plastic	50% (55% in draft regulation)	60%
Flexible Plastic	5% (30% in draft regulation)	40%
Non-Alcoholic Beverage Containers	75%	80%

Considerations Related to Blue Box Transition

Staff identified some considerations related to the Blue Box transition (report PW 23-2020). These considerations and important factors have been captured in this report again and with new information and additional considerations as a result of the release of the final regulation in order to represent a full set of implications and considerations.

Transition Timing

Producers have ability to transition communities prior to the date stated in the transition schedule. Niagara Region could engage with PROs to negotiate an earlier date.

Niagara Region could explore the ability to negotiate (or through other undefined process at this time) with producers an earlier transition date. As stated earlier, Niagara Region is scheduled to transition no later than January 1, 2024.

Stewardship Ontario (SO) is a not-for profit organization funded and governed by industries that are the brand owners, first importers or franchisors of products and packaging material, including those managed through the residential Blue Box Program. Under the current Blue Box Program, the municipal sector and SO each pay 50% of net residential Blue Box-related costs; however, Niagara Region’s payment from SO has exceeded the 50% threshold over the last four years based on the funding formula which reflects good program performance.

The 50% payment structure would continue to be applied during the residential Blue Box Program transition period if a municipality has not yet transitioned.

Based on the 2021 budget, Niagara Region’s net residential Blue Box program (collection, haulage and processing) cost is approximately \$15.6 million with taxpayers

incurring an estimated annual expense of approximately \$7.8 million based on the 50% funding structure for the existing Blue Box program. If Niagara Region were to successfully negotiate (or through another undefined process at this time) to transition earlier, the burden on the taxpayer would be reduced at approximately \$650,000 per each month that Niagara Region transitions earlier (based on the 2021 budget and the 50% funding structure). These figures also include estimated administrative costs/resourcing that will need to be further evaluated to determine if they need to be reallocated to other areas of the division. They also do not include the one-time potential pay-out to the collection contractors as noted below.

Provision of Collection and Haulage Services on Behalf of Producers

It is expected that producers will be interested in having municipalities provide Blue Box services on their behalf, should mutually agreeable terms be negotiated. These discussions are expected to commence once the allocation table is finalized. The regulation requires the allocation table be submitted to RPRA no later than July 1, 2022. As per PW 23-2020, it was recommended that Niagara Region engage in discussions with producers to continue collection as part of the integrated collection system. This would be subject to Niagara Region's expectations that there would be:

- 100% payment by producers; and
- Reasonable and quantitative measures for standards and requirements related to collection and haulage would be applied and overseen by RPRA as an independent entity.

Important factors influencing Niagara Region's decision to provide collection and haulage service on behalf of producers are:

- Definition of service areas by producers, i.e. the service area may not align with Niagara Region's current collection boundaries;
- Length of contract required by producers, i.e. length of the contract may not align with Niagara Region's existing collection and haulage contracts, upon which the bid would be based;
- Possibility of dealing with multiple producers, leading to increased administration requirements;
- Reducing confusion for residents, i.e. residents dealing with multiple agencies for collection issues (Niagara Region for garbage and organics, and a separate agency or agencies, on behalf of producers);

-
- Responsibility to residents in the event that service standard changes cause a reduction in collection convenience or increased enforcement at the curb (to achieve a lower residue rate);
 - Definition of clear service standards and expectations, acceptable residue rates, and how targets will be measured; and
 - Potential for a fragmented collection system related to promotion and education and customer service.

Under the scenario that Niagara Region does not provide collection and haulage service on behalf of the producers, the estimated \$7.8 million in annual savings as noted above, may be somewhat offset by costs for exiting the component of the collection contracts related to the residential Blue Box Program. Additionally, it should be noted that even if municipalities provide collection and haulage service under contract to the producers, the full 100% of these costs may not be covered, subject to the payment formula developed. This is due to the fact that existing contracts may not reflect the new service requirements, standards and other factors on which the payments by the producers will be determined.

Niagara Region's new waste collection and haulage contracts commenced October 19, 2020 and have an end date of March 5, 2028. The new contracts include escape clauses related to early termination of the Blue Box collection and associated haulage due to changes in legislation/regulation.

If Niagara Region does not provide Blue Box collection and haulage under contract to the producers, costs may be incurred for winding down the Blue Box-related portion of the work, including the value of stranded capital assets, such as collection vehicles, with the caveat that Miller and GFL must make commercially reasonable efforts to re-deploy capital assets to other contracts or sell them at fair market value. A formula was designed and included in the contracts to calculate the maximum compensation payable by Niagara Region:

$$\text{Maximum Compensation Payable} = (\text{Year 1 contract cost} \times 7 \text{ years} \times 10\% \text{ capital component}) \times \text{percentage of total contract terminated} \times (\text{Years remaining in contract term} / \text{Total years of contract term})$$

Per this formula it is estimated that the maximum one-time compensation payable to Niagara Region's current contractors based on the January 1, 2024 transition date is approximately \$6 million dollars. Therefore the estimated savings in the first year of transition is approximately \$1.8 million.

Material Recovery Facility

Niagara Region currently owns and operates (through Niagara Recycling, a not-for-profit third party) a Material Recovery Facility (MRF) in Niagara Falls. A review related to the preferred MRF ownership structure is currently underway, with the most recent fulsome project report being Confidential PW 17-2020. This review consists of an assessment, which will be based on actual market considerations, to determine the best future opportunity for the MRF.

The required notification and termination period for the contract with Niagara Recycling, for the processing and marketing of recyclables is until Niagara Region fully transitions to full producer responsibility or proceeds with a direction based on the outcome of the MRF Opportunity Review, with provision for six (6) month notification for early termination.

Completion of the MRF Opportunity Review is required for Niagara Region to finalize decisions related to the processing of Blue Box materials under full producer responsibility.

Servicing Additional Property Types

Niagara Region currently services a number of non-eligible sources (i.e. property types) which are not included in the regulation. While the current level of service must be maintained by producers until the end of the transition period on December 31, 2025, the producers are not obligated to include service to certain properties, such as the Industrial, Commercial and Industrial (IC&I) sector including municipal and regional buildings, commercial portion of mixed-use properties and for profit long term care and retirements homes. Public and private schools are included in the regulation.

The Province is proposing an update to different regulations specific to the IC&I properties at a future date, as yet unspecified. Should Niagara Region continue to collect from IC&I properties not serviced during or after the transition period, producers may have little incentive to expand programming to encompass these properties and municipalities will continue to bear the costs. These costs include existing staffing, promotion and education, processing and other expenditures for this portion of the service. On the other hand, elimination of this part of the Blue Box program, until provincially mandated service is available, would be a reduction in service to the IC&I sector in Niagara Region.

Based on several assumptions and the 2021 budget, the cost to provide the IC&I collection, haulage and processing service is approximately \$3.7 million. Further refinement of the assumptions may impact these costs.

A cost benefit analysis must be completed and the decision to service these properties may hinge on Niagara Region's decision to bid on collection and haulage and potentially availability of a processing facility to take material from these sources, depending on the outcome of the MRF Opportunity Review.

Collection of Non-Designated Material

If Niagara Region decides to collect non-designated material under the regulation, Niagara Region will be solely responsible for costs related to collection, haulage and processing of these materials. Niagara Region would also be responsible for producing extra promotion and education for the locally accepted materials (versus the provincial standard). Furthermore, Niagara Region may not be able to find a processor for non-designated material. On the other hand, removal of material from Niagara Region's Blue Box stream may generate confusion for residents and propagate a perceived reduction in service levels. Niagara Region's diversion rate could also be incrementally impacted by a change in materials collected.

Niagara Region current accepts the following materials that are non-designated materials:

- Soft cover and hard cover books (with hard covers removed);
- Alcoholic beverages, non-alcoholic beer, wine and spirits, with associated products and packaging; and
- Some flexible plastics used for containment of food such as sandwich bags and freezer bags.

Service at Depots

Under the final regulation producers are not required to provide depot collection where curbside collection is offered unless producers wish to include them in order to achieve the diversion targets. In the event that Niagara Region is not paid by producers to operate the residential Blue Box portion of depots, Council may still choose to continue with the service for community benefit, mainly resident convenience and to minimize illegal dumping. Additional enforcement may be required to ensure contamination rates enforced by producers are met, and depot reconfiguration may be required based on

producer requirements. These existing depots are integrated with the current landfill and public drop-off depot infrastructure.

As per PW 23-2020, if Niagara Region retains curbside collection, depot locations should also be retained as part of a comprehensive program. In the event that Niagara Region does not manage a curbside program, it is recommended that depots continue to be operated for an interim/transition period and then re-evaluated for the longer term, based on results of a cost benefit analysis and other factors such as customer convenience. Depending on the outcome of the MRF Opportunity Review, Niagara Region may need to find a processor for this material. The portion of depot costs associated with the residential Blue Box program is approximately \$342,000 based on the 2021 budget.

Promotion and Education

Under the final regulation, producers are required to implement promotion and education programs and services to educate consumers on the producer run program. Niagara Region could negotiate with producers to provide a subset or all promotion and education functions related to the Blue Box.

If Niagara Region provided promotion and education functions, it would allow for the continued integrated promotion and education programs and materials (ex. collection guide, brochures, Niagara Waste App) that include information on the Blue Box program to potentially reduce designated material ending up in the garbage stream.

The 2020 actual residential Blue Box promotion and education costs were approximately \$250,000.

Set Out Service

During the transition period (i.e. 2023-2025) producers are required to maintain current service levels provided by the municipality which would include provision of set out service for Blue Box materials. Set out service is a program offered via an application process for individuals with health limitations that allows their garbage, recycling and Green Bins to be collected on their property (i.e. next to front door, outside of garage) instead of bringing the material to the curb. Once the Blue Box program is fully transitioned on January 1, 2026, producers are not required under the regulation to provide a program similar to Niagara Region's set out service.

If Niagara Region wishes to continue this service for Blue Box material, Niagara Region would be responsible for the sole costs and would need to negotiate these costs with the producers. The 2021 budgeted costs for set out service which include all materials (i.e. garbage, recycling and Green Bin) are approximately \$35,000.

Special Events Recycling

Under the final regulation, there is no requirement for producers to provide recycling collection at special events such as festivals, community events, etc. beyond what is required for public space recycling.

Niagara Region currently provides special events recycling and organics collection and if Niagara Region wishes to continue to provide this service, Niagara Region would be responsible solely for these costs including collection, haulage, processing, related promotion and education, and staff resources. The 2019 actual costs, which reflect pre-pandemic activity for this program were approximately \$32,000.

As part of Niagara Recycling's contract with Niagara Region for the processing and marketing of recyclables, they also service larger special events with the delivery and collection of recycling carts and/or roll-off bins. Niagara Recycling contract terminates when Niagara Region transitions to full producer responsibility or proceeds with a direction from the MRF Opportunity Review. As a result, costs to provide Special Events Recycling could increase as a new service provider would need to be obtained, or negotiations with the producers/PROs would be required to provide the service. A processor for this material will need to be secured, subject to the outcome of the MRF Opportunity Review.

Public Space Recycling

As noted earlier, the definition of public space was expanded to include transit stations or stops under municipal or provincial jurisdiction as well as outdoor park, playgrounds or sidewalk, not just in designated business areas.

Producers are required to provide a minimum number of public space receptacles per person in every community based on a density formula.

Niagara Region provides public space recycling collection to some local area municipalities as an enhanced service. Producers will be required to maintain service levels during the transition period, including collection from all existing public space recycling bin locations. After January 1, 2026, producers are only required to supply and

collect the number of public space bins as per the density formula and local area municipalities will no longer have a say where public space bins are located, the type of bin and collection frequency. Producers are only required to collect prior to becoming full. Some local area municipalities may have more public space recycling bins than what will be required under the regulation.

If the local area municipalities wish to have more public space recycling bins than required under the regulation, it would be at their sole cost. Niagara Region could negotiate with the producers/PROs to collect on the local area municipalities' behalf.

The 2021 budget costs for public space recycling is approximately \$101,000 which is paid directly by those municipalities requesting this service.

Next Steps

The following are the next milestone steps related to transition to full producer responsibility as outlined in the Blue Box regulation.

- 2021 – Registration for eligible communities, producers, PROs
- 2022 – Submission of proposed rules, creation of allocation table and registration of processors
- July 1, 2023 – December 31, 2025, transition of eligible communities
- 2026-2029 – New eligible sources, standardized materials and established targets
- 2030 – New targets

In addition to above next steps, many of the considerations and decision points outlined in this report will require further detailed analysis (ex. financial implications) and/or negotiations which will be brought back to Committee and Council prior to any decisions being made. Niagara Region will also continue to participate in municipal/industry sessions and subcommittees related to Blue Box transition.

Respectfully submitted and signed by

Sherri Tait
Program Manager, Policy & Planning

Appendices

Appendix 1 Assessment of how Niagara Region's comments on the draft Residential Blue Box Regulation were addressed in O.Reg. 391/21: Blue Box

Appendix 1: Assessment of how Niagara Region’s comments on the draft Residential Blue Box Regulation were addressed in O.Reg. 391/21: Blue Box

The table below provides an overview of Niagara Region’s previous comments on the draft Blue Box regulation and how our comments were addressed. A subset of the comments maybe addressed at a later point and/or in another policy/regulation (e.g. designating certified compostable products and packaging, collection from public facing municipal buildings, compliance and enforcement measures, etc.).

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
S.19 S.28 S.29 S.30	The regulations should include a requirement for producers to provide collection from community events held in public spaces where there may be a need for receptacles or an increase in receptacles.	Not addressed	<p>Every producer responsibility organization is required to establish and operate a collection system for public spaces for which they have agreed to provide services.</p> <p>The producer is required to: provide a certain number of Blue Box receptacles in public spaces, determined by a prescribed equation; ensure receptacles are appropriate (size, durability, signage; repair or replace damaged containers; and locate receptacles at exit and entry points for parks and playgrounds. While there is a requirement that the receptacle must be collected at a frequency that would normally result in the materials being collected before the container is full, there are no other specifications about when collection should occur.</p> <p>There are no requirements for collection from community events in the regulation.</p>

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
S.1 S.4 S.19 S.28 S.29 S.30	Niagara Region supports the inclusion of multi-residential properties, facilities, schools and public spaces as eligible sources; however, Niagara Region also currently provides collection to small to medium industrial and commercial buildings and at a minimum the proposed regulations should include public facing municipal buildings such as libraries, community centres etc.	Not addressed	<p>Eligible source in the final regulation means any residence or facility. Facility has been defined to include multi-residential dwellings, non-profit retirement homes, non-profit long-term care homes and public or private schools. Industrial and commercial properties and public spaces are not included as eligible sources. Public facing municipal buildings are not a source that producers are required to include in their collection systems.</p> <p>Although, public spaces are not eligible sources, they are still an obligation under the legislation. Starting January 1, 2026, producers must collect Blue Box material from public spaces in each eligible community in which an eligible source is allocated to the producer. During the transition period, the producer will provide Blue Box receptacles in the same public spaces and in the same quantity as were provided in that eligible community under the WDTA Blue Box program.</p>
S.1 S.28 S.30	The regulations should include a requirement for producers to provide twinning of recycling receptacles at existing garbage street litter receptacles outside Business Improvement Areas (ex. at bus shelters).	Partially addressed	The definition of public space has been revised in the final regulation to mean an outdoor area in a park, playground or sidewalk or a public transit station or stop. This is an expansion on the draft definition which only included Business Improvement Areas. However, the final regulation does not include the requirement that Blue Box receptacles be placed next to every receptacle for garbage at the public space, as it did in the draft regulation.

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
S.1	Niagara Region supports the expanded list of designated material to include materials such as straws, cutlery, wraps, laminated packaging etc., however, is not supportive of the exclusion of soft cover and hard cover books. Soft cover books and hard cover books (with cover removed) are currently accepted in Niagara Region's Blue Box program and should continue to be diverted through re-use or recycling.	Not addressed	Soft cover and hard cover books are excluded from the list of designated material. Straws, cutlery, wraps and laminated packaging are still included in the list of designated material (i.e. Blue Box material). Packaging-like products (e.g. saran wrap) are not included in the list.
S.22(c)(i)	A product designed for the containment of waste is not included in the list of proposed designated materials and although the proposed regulations specify that producers must replace receptacles used for the storage of material at least once a year upon request, it does not include language around the responsibility of producers to collect and recycle broken and/or damaged receptacles. Niagara Region recommends that wording in the proposed regulations be added to ensure producers are responsible for the collection of any broken and/or damaged receptacles and recycling same.	Not addressed	The regulation has been revised to require producers to repair or replace any damaged Blue Box receptacle upon request of a person residing at the residence, within one week of the request. It does not specify that the producers are responsible for collecting or recycling the damaged receptacles.

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
S.2 S.5 S.6	Niagara Region requests the Province designate all packaging, whether it is recycling or compostable. Producers should pay for management of designated materials regardless of the stream in which they end up.	Not addressed	Certified compostable products and packaging have been removed from the list of Blue Box material. As specified in Section 6, only Blue Box material is included a designated class of material. Further, Section 5 states that Parts III – VII of the regulation do not apply to Blue Box material in the certified compostable products and packaging material category and Blue Box material in the certified compostable products and packaging material category shall not, be included in the determination of weights made by the Authority; be used for the allocation of eligible sources to producers in an allocation table made under Part III; be registered as a material category for an alternative collection system under Part V; be used for the calculation of a management requirement under Part VI; or give rise to promotion and education obligations under Part VIII.
S.42	Similar to the diversion targets set out for other materials in the proposed regulations, targets for compostable materials should also be included.	Not addressed	Diversion targets for compostable materials were not included in the regulation

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
S.2	Fibre such as paper products intended for hygienic use (paper towels) diverted as part of the organics stream or other obligated/targeted materials diverted through other systems should be an eligible program cost for which municipalities should receive payment and appropriate targets/measurements should be developed.	Not addressed	Blue Box material does not include health, hygiene or safety products that, by virtue of its anticipated use, becomes unsafe or unsanitary to recycle.
S.1	Niagara Region recommends... the definition of compostable materials is refined to ensure that materials such as fibre-based products like newspaper, drink trays and take away containers that can be recycled are excluded from the definition of compostable materials.	Addressed	The definition of certified compostable products and packaging was revised in the final regulation. The definition now states that it means material that is <u>only</u> capable of being processed by composting, anaerobic digestion or other processes that result in decomposition by bacteria or other living organisms. Based on this wording, materials that can also be recycled would be excluded from the definition of certified compostable products and packaging.

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
S.22	Niagara Region supports the continuation of curbside services to those municipalities currently receiving curbside service; however, is concerned with the requirement to provide collection at a minimum of every-other-week. If a producer chooses to collect recycling every-other-week after January 1 2026, it would be a reduction in service to Niagara Region residents. A reduction in service could result in designated material being placed in other waste streams collected by Niagara Region. As mentioned, producers should pay for the management of the material anywhere in the waste management system.	Not addressed	The final regulation maintained the requirement for producers to collect Blue Box material from the residence at least every other week.
S.32, S.33	Consumer convenience should be maintained or improved, and access to existing services should not be negatively impacted by any changes to Blue Box program. Niagara Region has concerns that alternatives to the common collection system may result in a decrease in convenience and or negatively impact access to services.	Not addressed	Alternative collection systems are still included as an option for producers to use for one or more material categories of Blue Box material

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
S.21 S.22	After January 1, 2026, the proposed regulations removes the requirement for producers to provide depot collection in communities that provide curbside collection. Niagara Region supplements curbside collection with depots and are regularly used by residents including seasonal properties who may return to their primary residences prior to their curbside collection day. If Blue Box material is changed to every other week collection, more seasonal residents may use depots to properly dispose of designated materials.	Not addressed	Producers are not required to provide depot collection in communities that provide curbside collection. If a producer is allocated an eligible source that is a residence that does not receive curbside garbage collection, the producer may provide either depot collection or curbside collection of Blue Box material for that residence.
S.36 S.42	Niagara Region encourages inclusion of positive incentives to go beyond minimum targets in addition to penalties for producers not meeting targets. Incentives supporting the use of secondary materials over virgin material such as tax incentives or other financial benefits would support and recognize producer efforts. Targets should be re-assessed on a pre-defined schedule and progress monitored to ensure continual improvement.	Not addressed	The regulation does not include incentives to go beyond minimum targets. There are no penalties, compliance or enforcement measures for not meeting targets. However, for alternative collection systems, if a producer does not meet its management obligation for that material category using only the alternative collection system twice in a three-year period, the registration for that system will be revoked. There is no schedule in the regulation for re-assessment of the targets.

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
S.42	Niagara Region’s position is that individual sectors should have their own measurable targets and metrics (Low Density Residential, IC&I and Multi-Residential). To increase program effectiveness, Niagara Region supports individual recovery targets for individual materials rather than the six categories proposed in the regulations.	Not addressed	The recovery targets set out in the regulation are not sector-specific and are not broken out into individual materials, only the six material categories.
S.40	Niagara Region has concerns regarding the proposed recycled content credits and the producers’ ability to reduce targets by using recycled content. The concern is some products like glass, aluminum already include recycled content and this could be incenting producers who already made this business decision and recycled content is difficult to verify.	Addressed	The formula for calculating the management requirement for a material category has been revised in the final regulation. The weight of recycled content and the redistribution factor are no longer incorporated into the equation.

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
	<p>To reduce financial impact on any municipalities who do not transfer in the early phase, payment of net verified costs (actual municipal costs) from Stewardship Ontario (SO) should be increased to 75% in year one increasing annually until transition is complete, through authority by the Minister. Niagara Region also does not support application of in-kind advertising (funding) for newspapers for either non-transitioned or transitioned municipalities.</p>	<p>Not addressed</p>	<p>Funding increases during transition are not addressed in the regulation.</p>

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
	<p>Transition plans for the Blue Box program must address municipal contracts and assets and how to avoid stranded assets. Transition to a producer responsibility regime could lead to Niagara Region's Recycling Centre becoming a stranded asset depending on the strategies put forth to achieve producer responsibility. The transition plan must clearly address provision of fair market compensation for stranded municipal assets. Provisions for maximizing use of existing infrastructure should be included. For example, the plan should clearly incentivize use of existing facilities or otherwise potentially stranded assets (i.e. equipment, rolling stock, carts and boxes) and/or any amortized capital costs that extend beyond the transition date, should be factored into considerations for municipal compensation.</p>	Not addressed	Stranded assets are not addressed in the regulation.
S.67	<p>Performance audits for producers are required every three years under the proposed regulations. Niagara Region recommends that they be annually similar to the Beer Store and LCBO.</p>	Not addressed	<p>The audit frequency has not changed in the final regulation. Producers are required to cause an audit to be undertaken every three years.</p>

Key Sections in Regulation	Comments on Draft Regulation	Status	Final Regulation
	The municipal Blue Box requirements set out in Regulation 101/94 should be removed when municipalities transition.	Addressed	Ontario Regulation 101/94: Recycling and Composting of Municipal Waste was amended to require any local municipality that operates a Blue Box program as of August 15, 2019 to continue to provide the service until the municipality's Blue Box program has transitioned to producer responsibility under this new regulation. Requirements that a local municipality operate a Blue Box program would be fully repealed by 2026.

MEMORANDUM

PWC-C 23-2021

Subject: Public Works Single Source Purchases over \$100,000 - Exceptions

Date: July 13, 2021

To: Public Works Committee

From: Bruce Zvaniga, P.Eng., Commissioner of Public Works (Interim)

Per Council direction on September 17, 2020, this memo has been prepared to inform Public Works Committee of Single Source procurements greater than \$100,000 processed under one of the following exceptions.

Sole Source, specifically Section 18 (a) (iii): “there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier”; and/or

Special Circumstances, specifically Section 17 and Procurement By-law definition clause (ii): “An event that, unless immediately addressed, is likely to cause significant loss or damage to property”; and/or

Negotiation, specifically Section 19 (a) (iii) and (vi) respectively: “(iii) a Sole Source is being recommended”; and “(vi) the extension of an existing Contract would be more effective”

Appendix 1 provides detail of purchases made from February 1 to May 30, 2021.

Respectfully submitted and signed by

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)

Appendix 1: Single Source Purchase Orders - Exceptions

1. Project Name: Highway 406 Crossing – Trunk Watermain & Sewer

Purchase Order (PO) Number: **0000060681**

Supplier: **2524964 Ontario Inc. (Empire Homes - Developer)**

Exception Category: **Single Source** in accordance with Purchasing By-law 02-2016 as amended February 28, 2019, Section 18(a)(iii) as there is an absence of competition and the services can only be supplied by 2524964 Ontario Inc. (Empire Homes)

Date Work Authorized: **December 18, 2017**

Type: **Change PO** to increase Contract Scope to cover additional costs related to the highway crossing

Original PO Amount: **\$2,923,545.60 (excl. HST)**

Cumulative Single Source Increase: **\$3,396,666.00 (excl. HST)**

Description: As part of the Port Robinson West Development on the northeast corner of Highway 406 and Merritt Street (Thorold), the Developer, 2524964 Ontario Inc (Empire Homes), constructed a new trunk watermain and trunk sanitary sewer which was transferred to the Region in accordance with the development agreement between Empire Homes and the Region. This agreement was initially approved by Council in 2015 through PDS 44-2015 and then later amended in 2017 through PDS 46-2017. Original PO was for Phase 1 payment and this Change PO is for Phase 2 payment per the agreement. Phase 2 payment represents the full and final payment due to the Developer.

2. Project Name: Supply of Polymer for Garner Rd Dewatering Facility

Purchase Order (PO) Number: **0000087501**

Supplier: **SNF Canada Ltd.**

Exception Category: **Sole Source**

Date Work Authorized: **January to March 2021**

Type: Change PO to cover additional costs of product for daily operations until award process of new contract has been completed.

Original PO Amount: **\$94,999.86 (increased to \$153,199.86)**

Cumulative Single Source Increase: **\$58,200.00**

Description: Water-soluble polyelectrolyte is required for the dewatering of sludge operations at Garner rd. The current 3-year contract had expired at the end of 2020. (2017-T-32)

Completion of a full scale polymer trial between vendors for the next approved contract was postponed due to equipment failures which left a gap in the supply of polyelectrolyte product for daily operations.

The original PO covered the time period between January to March 2021 however the process to review, submit, award and create the new contract for supply of polyelectrolyte solution has been extended due to the pandemic. The increase required will allow for daily operations to continue between April through to mid July.

The PO was increased to allow for additional polyelectrolyte product to enable the continuation of daily operations while the new contract details are finalized. (2020-T-159). The Full scale trials for the new contract has concluded and the award process is currently underway.

Negotiation 19. (a) (iii) a Sole Source is being recommended) and “(vi) the extension of an existing Contract would be more effective” We are currently in the final stages of a formal procurement process (2020-T-159). Daily operational requirements for water-soluble polyelectrolyte will exhaust current bulk storage capacity prior to completion and award of the 2021 water-soluble polyelectrolyte contract (2020-T-159). The current polyelectrolyte product has been tested and approved for use at the Garner Rd. facility.

3. Project Name: Welland Vale PS and Forcemain Upgrades

Purchase Order (PO) Number: **CNV000022**

Supplier: **Cima**

Exception Category: **Negotiation** in accordance with Purchasing By-law 02-2016 as amended on February 28, 2019, Section 19(a)(vi) the extension of an existing Contract would be more effective as Cima was consultant performing Contract Administration and Inspection Services and the additional scope of work directly related to their scope during an active construction project

Date Work Authorized: **January to April, 2021**

Type: **Change PO** to increase Contract Scope to cover additional costs related to increased duration of construction contract administration and inspection services and design modifications.

Original PO Amount: **\$71,145.79**

Cumulative Single Source Increase: **\$169,053.21** (including current request of **\$9,901.00**)

Description: During Construction, additional design services were required to provide design changes as per Niagara Region request including structural revisions to accommodate davit base adjustments for maintenance purposes, addition of site lighting and replacement of inlet manhole and curb. The additional fees for these tasks include design details, the engineering effort to develop the change in price request from the contractor as well as additional effort for shop drawing reviews, follow-up during implementation, and integration into As-Built drawings, where applicable. As a result of these additions, the construction duration was increased.

An additional 40 hours of site inspection was required to oversee completion of the construction works, deficiencies and site restoration.

4. Project Name: Bar Screen Replacement Upgrades

Purchase Order (PO) Number: **0000021719**

Supplier: **Associated Engineering**

Exception Category: **Negotiation** in accordance with Purchasing By-law 02-2016 as amended on February 28, 2019, Section 19(a)(vi) the extension of an existing Contract would be more effective as Associated Engineering was consultant performing Contract Administration and Inspection Services and the additional scope of work directly related to their scope during an active construction project. Services could not be obtained in time by means of an open procurement and there would be additional costs to the Region through contractor delays.

Date Work Authorized: **March 27, 2021**

Type: **Change PO** to increase Contract Scope to cover additional costs related to increased duration of construction contract administration and inspection services and design modifications.

Original PO Amount: **\$195,154.00**

Cumulative Single Source Increase: **\$288,462** (including current request of \$90,526.00)

Description: During construction, additional design services were provided by AE for improvements to the hauled waste disposal station and screen building design modifications based on field conditions and to accommodate future hauled waste metering equipment. As a result of these improvements, the construction duration was increased and an extension of three (3) months to the contract was required for engineering contract administration and site inspection services.

5. Project Name: 2019-RFP-334 Montrose Road and Lyons Creek Road/Biggar Road – Municipal Class Environmental Assessment and Detailed Design

Purchase Order (PO) Number: **0000076921**

Supplier: **Parsons Inc.**

Exception Category: **Sole Source** in accordance with Purchasing By-law 02-2016 as amended February 28, 2019, specifically Section 18 (a) (iii): “there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier”

Type: **Change PO**

Original PO Amount: **\$975,000**

Cumulative Single Source Increase: **\$465,982**

Rationale for Increase

The request is for an amendment to an existing contract.

As a result of consultation with review agencies (i.e. Ministry of Environment, Climate and Parks, Ministry of Transportation, Niagara Peninsula Conservation Authority, and Ministry of Natural Resources) and the City of Niagara Falls, additional work or tasks beyond the original project scope were identified. A detailed list of the additional works, c/w associated costs, is detailed below.

Item	Title	Description	Estimated Fee
1	Phase 1 ESA	As part of the preliminary design, a Phase 1 ESA will be completed along Montrose Road, Biggar Road and Lyons Creek Road in general accordance with the CSA Z768 1 standards (last revision 2016). The Phase I ESA is required to support future design and construction; thus, the report shall also comply with the requirements of O.Reg. 406/19, specifically the Assessment of Past Uses reporting requirements.	\$10,340.00
2	Virtual PIC	While there were efficiencies to conduct the PIC virtually, Niagara Region recommended that Parsons utilize the public material branding template for each PIC. It was agreed at the start of the project to engage a graphic design and a PIC facilitator as well as utilize MURAL to encourage comments and feedback from the public.	\$43,175.00
3	Additional Meetings	Parsons exceeded the number of meetings identified in the RFP due to additional effort need to coordinate and meet with Niagara Region staff, technical agencies and stakeholders prior to the completion of detail design.	\$56,331.00

Item	Title	Description	Estimated Fee
4	Detailed Transportation Assessment Revisions	The original DTA was prepared using the Jan 2017 Grand Niagara Secondary Plan (GNSP) Traffic Report that was supplied to Parsons. Following several meetings and formal approval of Parsons Traffic Forecast Memo (Region/MTO), it was determined that this report was outdated and therefore the DTA required revisions utilizing the June/December 2017 GNSP Traffic Report. The DTA also include the Hospital's revised Traffic Study (Dec 2020).	\$27,700.00
5	Stage 2 Archaeology Assessment	A Stage 2 AA is required to clear the project footprint of archaeological potential for the full study area. The footprint was provided to ASI on Feb 3.	\$26,674.00
6	Stormwater Resiliency Analysis	As requested by Niagara Region, the Resiliency Study will review stormwater capacity requirements for scaled 20% 5-yr IDF and MTO Climate Change IDF. This information is beneficial to understand design implications using 2080 projections.	\$4,812.50
7	Bat Species At Risk Monitoring and Permitting	Through terrestrial surveys, Parsons ecologist determined there is the potential for bats. Parsons has reviewed the bat habitat details and permitting approaches with MECP as SAR permits require long-lead times to obtain agreement with MECP to reduce future risks. SAR monitoring to occur in June 2021. The estimated budget includes a multi-phased approach.	\$53,315.00
8	Additional Topographic Survey	The RFP states that survey should be within the Road Allowance (ROW) plus 10 m. However, during design, it was noted that the footprint will likely extend outside those limits.	\$25,000.00

Item	Title	Description	Estimated Fee
9	Excess Soil Management and Testing	In order to meet the requirements of Regulation 406/19 work may include additional testing of potential materials for import/export as well as the preparation of a soil management plan.	\$14,674.00
10	Heritage Impact Assessment	Pending the recommendations of the Cultural Heritage Resource Assessment, a Heritage Impact Assessment (HIA) may be required for the cultural heritage property on the northeast corner of Montrose Road and Reixinger Road.	\$11,000.00
11	Fisheries Permit	Culvert works at two watercourse crossings in the detail design section will likely require Request for Review (RFR) from DFO and potential MECP permit for SAR mussels. This covers if additional permitting is required following the RFR and a worst-case scenario with MECP.	\$19,305.00
12	Fluvial Geomorphology Design	Due to potential realignment and offline culvert replacement at the tributary of Lyons Creek culvert (i.e. north of Reixinger), fluvial geomorphological design may be required for tie-ins and creek realignment. This work would also support the potential DFO permit.	\$22,000.00
13	Additional Boreholes and Associated D	Interchange ramp improvements at the QEW and Lyons Creek Road will require widening/alignment shift work in order to extend the three proposed terminal intersection approach lanes. Based on the Region's requirements for borehole spacing at 50m, additional boreholes and design effort will be required at the interchange.	\$90,800.00
14	Willodell Road and Lyons Creek Road Intersection –	The proposed Preliminary Design, presented to the public at PIC #3, recommended restricting the intersection of Lyons Creek Road and Willodell Road	\$60,855.50

Item	Title	Description	Estimated Fee
	Additional EA and Design Effort	to right-in/right-out due to safety and traffic operations concerns. A request has been made to revisit the design of the intersection and explore alternatives that will provide greater access to Willodell Road. Work will include the creation and evaluation of intersection design options largely focussing on the option to shift the Willodell Road intersection further west and create a new signalized intersection allowing all moves.	
Subtotal			\$465,982.00

The project schedule is being driven by the overall schedule for the South Niagara Hospital, and construction of the project must be substantially complete by Q4 2023. As a result, the project team has approved the above noted changes in order to ensure that the timeline of this crucial project is met.

The current PO has sufficient funds available to cover the cost of these changes in the interim. However, a report will be brought forward to Council recommending a project budget increase to allow for the PO to be increased, and the agreement to be amended, for the above noted changes.