

Appendix A – Update on Key Contract Deliverables

1) Hours of Collection

Emterra has experienced difficulties completing collection as per the Contract requirements (by 5 p.m.).

In February, Niagara Region approved a request by Emterra to extend the daily end time from 5 p.m. to 6:30 p.m. while Emterra acquired additional vehicle and personnel resources. This temporary extension expired on March 18, 2018.

Niagara Region agreed to extend the hours of collection to 6 p.m. on August 21, 2018 for the remainder of the contract outside of dedicated leaf and yard waste and to 7 p.m. during dedicated leaf and yard waste collection which ran from October 29 to November 23 in the fall of 2018. The table below summarizes the collection end times as reported by Emterra.

Table 1 – Reported End Times

Timeframe	Collection End Time	Number of Days (and Percent of Days) Collection Completed On or Before End Time
March 19 to August 21, 2018	5 p.m.	7 (6%)
August 22 to October 26, 2018	6 p.m.	8 (17%)
October 29 to November 23, 2018	7 p.m.	8 (40%)
November 26 to November 30, 2018	6 p.m.	0 (0%)

Despite extending the hours of collection as noted above, Emterra still experienced difficulties completing collection on time.

In 2017, based on GPS records, Emterra was only able to complete collection by 5 p.m. on 14 days out of 259 days (5%).

2) Customer Relations/Service (Missed and Incomplete Collections)

a) Missed Collections

The table below summarizes the number of incidents of missed collection that were reported to the Niagara Region's Waste Info-Line. This does not include all calls

received directly by Emterra, as they have not been consistently tracking this information.

Table 2 – Missed Collections Reported to the Region’s Waste Info-Line

Timeframe	Number of Incidents 2017	Number of Incidents 2018
August 22 to November 30	1,071	1,567
January 1 to November 30	2,107	3,554

Niagara Region also continues to receive complaints from residents that material are consistently being missed from their particular address over the course of a number of weeks despite Niagara Region’s repetitive correspondence with Emterra on the issue.

Some examples include three set out service addresses missed five (5) times (33%) between August 22 to November 30, 2018. One of these addresses has been missed 14 times (6%) in 2018.

b) Incomplete Routes

Emterra has also not been able to consistently finish daily collection (i.e. entire or partial routes). Table 3 outlines the number of times Emterra was not able to finish daily collections.

Table 3 – Incomplete Routes

Timeframe	Number of Days	Percentage of Days
August 22 to November 30, 2018	35	48%
January 1 to November 30, 2018	76 (includes a winter storm on March 2, 2018).	32%
January 1 to December 31, 2017	23	9%

Of the 35 occasion between August 22 and November 30, 2018, 12 were during dedicated leaf and yard waste collection which occurred from October 29 the November 23, 2018. Although there was approximately a 140% increase in leaf and yard waste tonnages over 2017, Emterra had difficulties deploying daily the 12 dedicated trucks they committed for leaf and yard waste collection. A third party contractor Emterra indicated they secured to assist with five (5) trucks was only able to provide one truck and not on a consistent basis. In addition, Emterra was unable to put out all their owned or rental trucks due to internal resource shortage.

3) Contractor's Personnel

As per the Contract, Emterra is to ensure that at all times, at least 80% of their work force undertaking the work under this Contract shall be full time employees of the Contractor.

Table 4 summarizes the percentage of full-time staff as provided by Emterra including those previously reported to PWC on July 17 (PW 32-2018) and September 4, 2018 (PW 31-2018).

Table 4 – Percentage of Full-Time Employees as Reported by Emterra

Month Reported	Percentage of Full-Time Employees
November 2018	72%
August 2018	77%
June 2018	84%

The Region also calculates the daily average based on daily line-ups provided by Emterra. The daily average in the third quarter of this year was approximately 71% which is up from 70% between June 20 and August 13, 2018.

The daily average of full-time employees working has been around 69% since January 1, 2018 based on information provided by Emterra. Niagara Region started tracking this information in August 2017 and between August 2017 and December 2017, the daily average of full-time employees working was around 61%.

Emterra has indicated they are holding job fairs to hire additional staff to meet the required 80% full time employee requirement.

4) Maintenance of Equipment

To address maintenance issues, Emterra provided an initial refurbishment plan to Niagara Region in September 2017. A revised refurbishment plan was submitted to Niagara Region in October 2017, which noted that all necessary vehicle refurbishments would be completed by January 2018. Due to the extent of the repairs and maintenance required on some vehicles, Emterra is still working towards completion of the refurbishment plan. Emterra has committed to completing the refurbishment of three (3) trucks per month and all drivetrain work prior to the start of the fall dedicated leaf and yard waste collection which started on October 29, 2018. All scheduled drivetrain work has been completed.

Based on a review of the most recent refurbishment plan submitted by Emterra, 41 trucks have at least one (1) repair listed as either "to be expedited" or "to be complete".

5. Event of Default

Niagara Region has issued \$770,000, in liquidated damages since the beginning of the contract for failure to comply with the Contract terms and conditions. \$585,000 have been issued since Jan 1, 2018 to November 30th of which \$134,000 were issued between August 14 to November 30, 2018.