

Emterra Collection Contract Performance Update

Public Work Committee

March 19, 2019

Background

- Contract – Feb.28 2011- March 4, 2018.
- WMPSC directed staff to negotiate a 3-year ext. until March 7, 2021.
- Emterra submitted Operations Enhancement Action Plans and Improvement Plans in September 2017, January 2018 and August 2018 following multiple instances and extended periods of unsatisfactory service delivery.
- In addition, leaf and yard waste collection plans were requested by the Region and submitted by Emterra
- On July 17, 2018 PWC passed the following motion related to PW 32-2018:
 - That staff **CONSIDER** all remedies to address default in accordance with the contract, including negotiation of the removal of portions of the work from the contract, to be tendered to an alternative service provider and provide a recommendation at the September 4, 2018 Public Works Committee meeting.

Background Cont'd

- Niagara Region and Emterra, through the negotiations, discussed potential solutions aimed at enabling Emterra to continue to fulfil its obligations pursuant to the Contract without default.
- Concluded that specific amendments to the Contract were required to assist Emterra in fulfilling all its responsibilities
 - Two confidential reports, PW 31-2018 and PW-6-2019 as well as PWC-C 1-2019 contain information on the negotiations.
- Region and Emterra negotiated the removal of routes in Lincoln and West Lincoln due to ongoing performance issues.
 - tendered and awarded to Canadian Waste Management Inc. and commenced January 2, 2019.
- As per the Amending Agreement, Emterra was to redeploy resources used in Lincoln and West Lincoln to other areas.
- Since the removal of routes Emterra continues to fall short on meeting certain contract deliverables.
- Staff continue to meet on regular basis with Emterra

Performance Update

Hours of Collection

- Emterra is to complete collection by 6 p.m. during non-leaf and yard waste collection periods
- During leaf and yard waste collection, Emterra is to complete collection by 7 p.m.
- Of the 15 days that Emterra completed collection between January 2 to March 8, 2019, 8 days (16%) were completed by 6 p.m.

Performance Update cont'd

Incomplete Collections

Timeframe	Number of Days	Percentage of Days
January 1 to December 31, 2017	23	9.00%
January 1 to November 30, 2018	76 (includes a winter storm on March 2, 2018)	32.00%
August 22 to November 30, 2018	40 (1)	55% (56%)
December 1 to December 31, 2018	3 (6)	14% (29%)
January 2 to March 8, 2019	25 (34)	51% (69%)

- Of the 34 occasion between January 2 and March 8, 2019, 9 were solely related to incomplete tote runs.
- Significant weather related events - January 21, 29, 30, 31, February 6, 7 and 27, 2019. Weather event on February 6, 2019 resulted in the cancellation of collection.

Performance Update cont'd

Customer Relations/Service

Missed Collections

Timeframe	Number of Incidents 2017	Number of Incidents 2018	% Change 2017-2018	Number of Incidents 2019	% Change 2018-2019
January 2- March 8	147	746	+407.5%	943*	+26.4%
March 9 – August 21	889	1,241	+39.6%	N/A	N/A
August 22 - November 30	1,071	1,567	+46.3%	N/A	N/A
December 1 – December 31	322	160	-50.3%	N/A	N/A
TOTAL	2429	3714	+52.9%	N/A	N/A

*West Lincoln and Lincoln issues removed

Performance Update cont'd

Supply of Equipment

- As per Emterra, 70-72 collection vehicles are required to service the contract.
- As per the Second Amending Agreement, Emterra was to redeploy resources used in Lincoln and West Lincoln to other areas.
- From January 2 to March 8, 2019, Emterra has reported an average of 64 collection vehicles on the road at the start of the day. These includes vehicles from their sister sites (i.e. Peel Region)

Performance Update cont'd

Maintenance of Equipment

- Refurbishment plan was submitted in Sept. 2017 - projected completion by end of 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.

Performance cont'd

Liquidated Damages

- Niagara Region has issued \$821,850, in liquidated damages since the beginning of the Contract for failure to comply with the Contract terms and conditions.
- \$585,000 in liquidated damages were issued in 2018.
- Between January 2 and March 8, 2019, \$51,850 have been issued.

Questions ?