
MEMORANDUM

PWC-C 26-2019

Subject: Emterra Collection Contract Update

Date: Tuesday, October 8, 2019

To: Public Works Committee

From: Nicholas Lidstone, Contract Supervisor, Waste Management Services

The purpose of this memorandum is to provide members of the Public Works Committee with an update on the curbside waste and recycling contract with Emterra Environmental (Emterra) since the last verbal update provided on May 7, 2019, and to respond to the Councillor Information Request from Councillor Insinna at the September 10, 2019 Public Works Committee for an update on the number of days collection is being completed. The information contained within this memorandum covers the time period between May 6, 2019 and September 13, 2019.

Key Facts

- Between May 6 and September 13, 2019, Emterra has completed collection on 35 of 94 (38%) days.
- 275,097 properties were missed between May 6 and September 13, 2019, representing a daily average of 4,743 properties (15%) not receiving collection on their regular collection day.
- Incidents of missed collection reported to the Niagara Region's Waste Info-Line during May 6 to September 13 have increased by 54% in 2019, compared to 2018.
- Niagara Region has issued \$1,004,400, in liquidated damages, since the beginning of the Contract. \$131,350 was issued between May 6 and Sept 13, 2019, which included spring leaf and yard waste collection.
- In an effort to support Emterra's mitigation plan for the ongoing collection delays across the region, collection days will be changing in select areas of Wainfleet, effective November 4, 2019.

Incomplete Collections

Completion of daily routes has not been consistent (i.e. entire or partial routes) between May 6 and September 13, 2019. Emterra has completed collection on 35 of 94 days (38%). However, collection completion has improved between this timeframe. Refer to Appendix 1.

275,097 properties did not receive collection on their regular collection day between May 6 and September 13, 2019, representing a daily average of 4,743 properties (15%) not collected on their regular collection day (Appendix 1).

The key factors contributing to the inability to consistently finish daily collection, as identified by Emterra, have been labour stabilization issues and truck breakdowns. Emterra has indicated that, by the start of October 2019, they will have decommissioned four (4) existing trucks, deemed beyond repair, and they are currently in the process of securing four (4) used trucks.

To date, Emterra has committed to increasing fleet uptime through truck maintenance improvements, focused on strategies to support labour stabilization and reinforced their dedication to a high level of service delivery. Unfortunately, these commitments and changes have not had a sustainable impact on the overall contract performance.

Customer Relations - Missed Collections

From May 6 to September 13, 2019, 2,193 incidents of missed collection were reported to Niagara Region's Waste Info-Line, compared to 1,599 during the same period in 2018, which represents a 37.1% increase in incidents of missed collection. Missed collections will continue to be monitored by Niagara Region staff. Refer to Appendix 1, Table 2 for further analysis on reported missed collections.

Event of Default

Niagara Region has issued \$1,004,400 in liquidated damages since the beginning of the contract for failure to comply with the Contract terms and conditions. Liquidated damages in the amount of \$580,000 were issued between January 1, 2018 to November 7, 2018. Between November 8, 2018 and September 13, 2019, \$239,400 has been issued in which \$131,350 was issued between May 6 and September 13, 2019. It should be noted that the second amending agreement, signed November 7, 2018, resulted in changes to the structure of liquidated damages.

Next Steps

Wainfleet Collection Day Change

Emterra identified an opportunity for route optimization with collection in Wainfleet and requested collection day changes in the area. By re-routing approximately 1,750 homes in Wainfleet from Monday collection to Tuesday and Thursday, it will create operational efficiencies and allow Emterra to redeploy four additional trucks on Mondays to support completing collection throughout the entire week for the Region.

In an effort to support Emterra's mitigation plan for the ongoing collection delays across the region, collection days will be changing, effective November 4, 2019, in select areas of Wainfleet. The Township of Wainfleet has indicated that they are happy with their current collection day (Monday), however they support the Region as they move forward towards improving service. The Region believes that we have an obligation to continue to work with Emterra in effort to improve service delivery and that the collection day change will help to alleviate the number of properties affected by collection delays.

Given this temporary disruption to some Wainfleet residents, , Emterra has informed the Region that they will endeavor to ensure that collection in Wainfleet is made a priority for the remainder of their Contract, should they experience collection delays.

Mitigating Efforts

As referenced in the incomplete collection section above, Emterra decommissioned four (4) existing trucks, deemed beyond repair, and purchased four (4) used 2015 trucks.

Emterra is currently in the process of developing their Fall Dedicated L&Y Operations Collection Plan. This plan shall be submitted to the Region by end of day September 27, 2019. Emterra continues to hire collection staff to ensure current business needs are met, with a goal of hiring up to ten (10) additional staff by the start of dedicated L&Y collection.

The request for proposal (RFP) for the next collection contract closed on September 17, 2019. Staff anticipate the RFP to be awarded by November 14, 2019, with an estimated start date in October 2020.

Niagara Region continues to meet with Emterra on a regular basis to discuss operational details and performance. Niagara Region will continue to enforce the Events of Default and Remedies Clause in the Contract to ensure compliance by Emterra.

Niagara Region will continue to explore the option of removing additional work if Emterra continues to be in default of their Contract.

Respectfully submitted and signed by

Nicholas Lidstone,
Contract Supervisor, Waste Management Services

Appendices

Appendix 1

Pages 1 - 3

Appendix 1

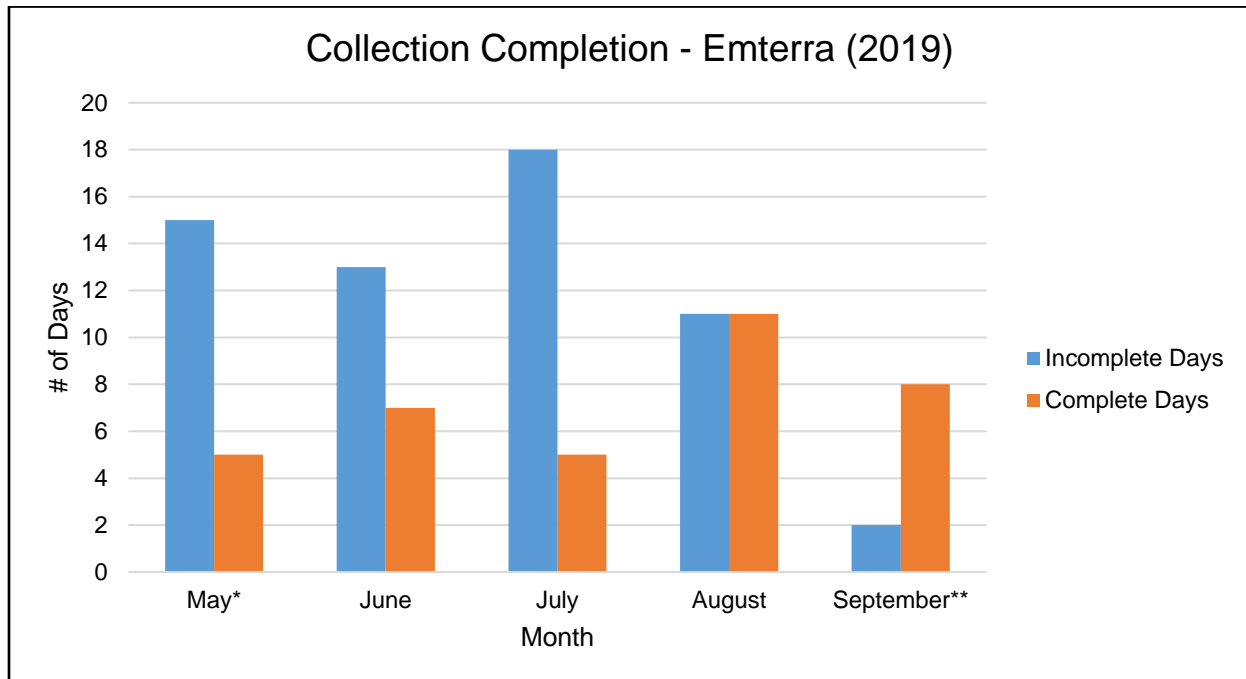


Figure 1 - # of Complete and Incomplete Collection Days – Emterra May to September 2019.

*Includes dates from May 6, 2019 to May 31, 2019

**Includes dates from start of month to September 13 2019

Table 1 - # of Complete and Incomplete Collection Days – Emterra May to September 2019.

Month	Incomplete Days	Complete Days	Total Days	% Complete	% Incomplete	Total
May*	15	5	20	25%	75%	100%
June	13	7	20	35%	65%	100%
July	18	5	23	22%	78%	100%
August	11	11	22	50%	50%	100%
September**	2	8	10	80%	20%	100%
Total	59	36	95	38%	62%	N/A

*Includes dates from May 6, 2019 to end of month

**Includes dates from start of month to September 13, 2019

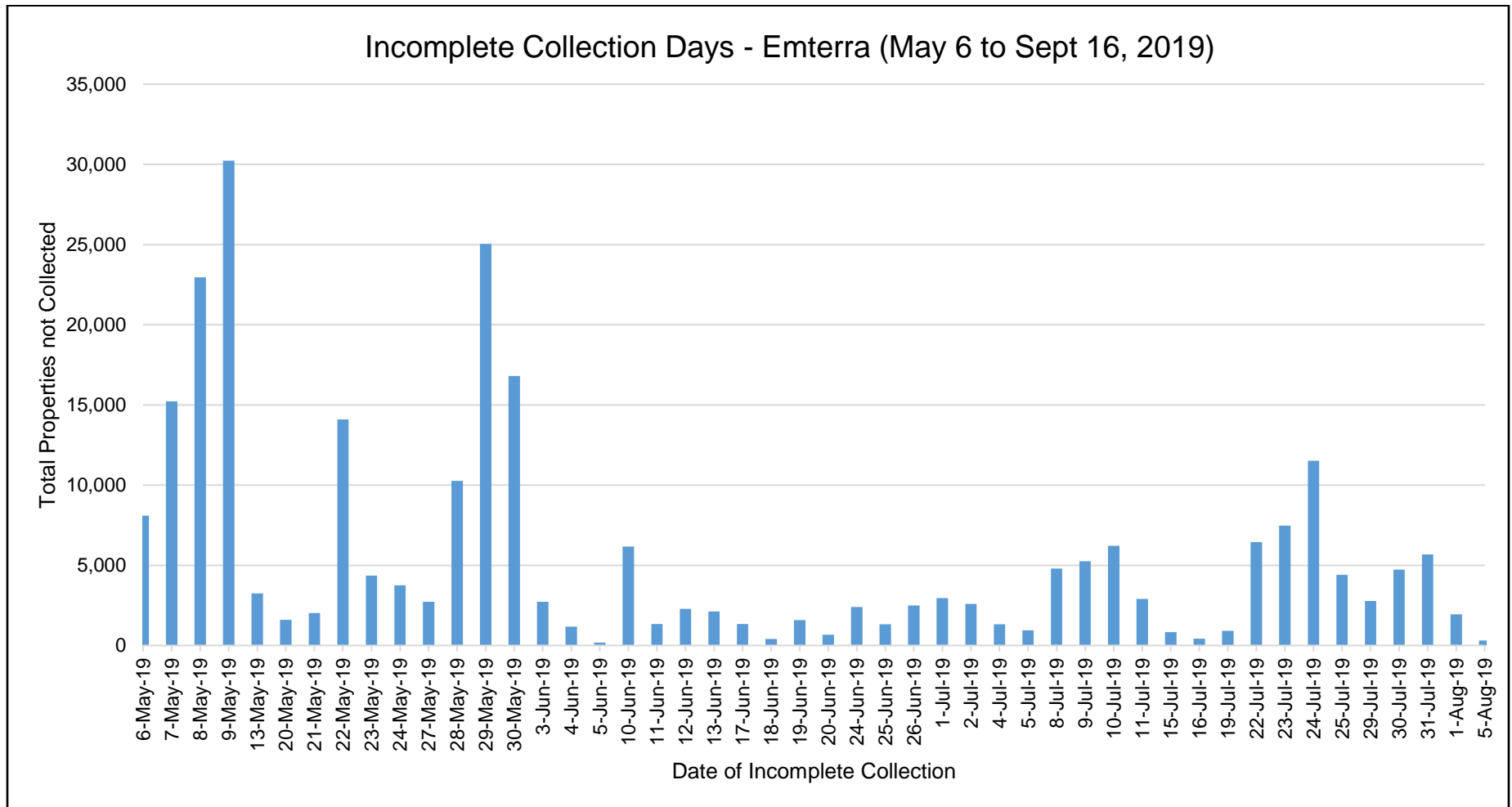


Figure 2 – Properties affected by incomplete collection – Emterra - May 6 to September 16, 2019.

Table 2 – Incidents of Missed Collections Reported to the Region’s Waste Info-Line (Emterra)

Timeframe	2017	2018	2019
January 2- March 8	147	746 (407.5% increase from 2017)	943* (26.4% increase from 2018)
March 9 – April 12	156	118 (24.4% decrease from 2017)	382* (223.7% increase from 2018)
April 13 – May 5	142	125 (12.0% decrease from 2017)	240* (92% increase from 2018)
May 6 – September 13	693	1,599 (130.7% increase from 2017)	2,193* (37.1% increase from 2018)
September 14 – December 31	1,290	1,126 (12.7% decrease from 2017)	N/A
TOTAL	2,429	3,714 (52.9% increase from 2017)	3,758** (1% increase from 2018)

*West Lincoln and Lincoln related incidents removed in 2019 as serviced under separate contract.

**Incidents of missed collections from January 1 to September 13, 2019