

Waste Services Supplemental Capital Budget Adjustment

Recommendation

That Utility Committee recommend to City Council:

That capital profile 20-81-2020 - MRF Renewal, as set out in Attachment 1 of the October 2, 2020, City Operations report CO00058, be approved, with funding from transfers of \$8.0 million from approved composite capital profile CM-81-2045, \$1.3 million from approved composite capital profile CM-81-2047 and \$6.4 million from approved composite capital profile CM-81-2048.

Executive Summary

This report seeks approval for a \$15.7 million capital budget adjustment to fund Alternative 2 in Attachment 1 of City Operations report CO00058 for the replacement of end-of-life processing equipment, and optimization of the fibre (paper and cardboard) sorting line at the Materials Recovery Facility.

The creation of a standalone profile is required for renewal projects in excess of \$5 million in scope and will ensure project expenditures can be managed effectively and transparently. Approval of this report will result in the creation of the standalone profile 20-81-2020 - Materials Recovery Facility Renewal through the following:

- Transfer of \$8.0 million from existing composite capital profile CM-81-2045;
- Transfer of \$1.3 million from existing composite capital profile CM-81-2047; and
- Transfer of \$6.4 million from existing composite capital profile CM-81-2048.

Report

The Materials Recovery Facility Renewal project proposes the replacement of end-of-life equipment and an upgrade of the fibre (paper/cardboard) processing line. The project will be delivered following the Project Development and Delivery Model (PDDM) with the overall goal to improve waste diversion from landfill.

The project has met the PDDM Checkpoint 3 readiness criteria and is ready for Utility Committee and City Council's approval for authorization for Capital Expenditure to have the project enter the delivery stage.

Public Engagement

Public engagement was not undertaken for this report. The Supplemental Capital Budget Adjustment is standard operational practice for the Waste Services Utility that follows general budget principles established by the City of Edmonton and is in accordance with Waste Management Policy C527 and Waste Management Utility Fiscal Policy C558A.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has a resilient financial position.			
Outcome(s)	Measure(s)	2020 Result	2021 Target
Edmonton's waste service rates are fair, equitable and value-driven.	Stable Rates	0.3% Rate Increase	0% increase

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Economic	Changes in recyclables composition	3 - possible	4 - severe	12 - medium	Ensure equipment selection aligns with market requirements.	Specify equipment that can be adjusted for materials. Schedule 5-year rehabilitation analyses post-project.

For a complete list of risks associated with the business case please refer to page 27 in Attachment 1 to CO00058.

Attachments

1. Capital Profile Report
2. Capital Profile Summary

Others Reviewing this Report

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services

- C. Owen, Deputy City Manager, Communications and Engagement
- J. Meliefste, Acting Deputy City Manager, Integrated Infrastructure Services
- B. Andriachuk, City Solicitor