



ADMINISTRATIVE REPORT

Report Date: August 25, 2014
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Meeting Date: September 30, 2014

TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Garbage Container Licence Program - 2015 Licence Agreement Fee and Amendments

RECOMMENDATION

- A. THAT Council approve a 2% increase to Garbage Container Licence Agreement fees.
- B. THAT Council approve housekeeping amendments to the Garbage Container Licence Agreement to:
 - i. Address situations when there is a change in container user; and
 - ii. Reflect the City's standard requirement for automobile liability insurance coverage.
- C. THAT the Director of Legal Services be instructed to modify all Garbage Container Licence Agreements between the City and solid waste removal companies using city lanes for storage of solid waste containers, generally in accordance with Appendix A, to be effective January 1, 2015.

REPORT SUMMARY

Garbage Container Licence Agreement fees are traditionally adjusted on an annual basis to reflect City cost increases. For 2015, the proposed increase is 2.0%. In addition, two housekeeping amendments are also being proposed to the Garbage Container Licence Agreement which will result in improved management of containers on City property, and meet the City's requirements for automobile liability insurance coverage.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In 1992 Council authorized the execution of licence agreements between the City and commercial waste hauling companies which participate in the City's garbage container licence program.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services recommends approval.

REPORT

Background/Context

The City enters into Garbage Container Licence Agreements with companies that place commercial garbage and recycling containers on city streets and lanes where there is insufficient space available for storage on private property. The licence requires the City to give licensees at least three months' notice (i.e. by October 1 of the current year) of any licence amendments, including fee adjustments, prior to renewal of the licence on January 1 of the following year. Failure to provide sufficient notice will result in the current licence agreements being automatically renewed for the coming year.

Strategic Analysis

Inflationary Increase:

As of July 2014, the increase in the 12-month average Consumer Price Index (CPI) was 0.7%. Certain non-wage items such as electricity, fuel and gas have increased in the range of 3.2% to 8.5% while gasoline has decreased 1% over the past year. The Vancouver CPI is forecasted to increase 1.1% for the year 2014 and 2% for 2015. Based on this forecast, staff recommend a 2% increase in Garbage Container License Agreement fees for 2015.

Housekeeping amendments:

City inspectors will occasionally come across a situation where the container user information, as listed on the Garbage Container Licence Agreement, is out-of-date. This situation requires the inspectors dedicate additional time and resources to gather the current information. To address this situation and allow us to better manage the program, it is proposed to add a new section to the Garbage Container Licence Agreement whereby the licensee (commercial waste hauling company) will be required to notify the City if they become aware of a change in user information, or if the contract with the user is terminated or transferred. The newly proposed 'Section 15 - Change in User contract or information' is outlined in Appendix A.

The automobile liability insurance as listed in the Garbage Container Licence Agreement is \$1,000,000. The City's Risk Management Department has noted that current requirement is \$5,000,000. Section 22.(a)(ii) will be amended to reflect the standard insurance requirement.

Implications/Related Issues/Risk (if applicable)

Financial

The adjustment of 2.00% to the annual Garbage Container Licence Agreement fees will result in an increase of \$4.41 (from \$220.56 to \$224.97) for containers greater than or equal to 1 cubic yard, and by \$1.46 (from \$72.83 to \$74.29) for containers of less than 1 cubic yard.

Legal

All Garbage Container Licence Agreements between the City and commercial waste hauling companies using city lanes for storage of solid waste containers will be modified to reflect the increase of 2.0% and the two housekeeping amendments. Parties to the Garbage Container Licence Agreements will be notified by letter of the approved increases prior to October 1, 2014, as required by the agreements.

CONCLUSION

It is recommended that a 2.00% fee increase for inflation and the two housekeeping amendments be applied to the Garbage Container Licence Agreement, as specified in this report. It is also recommended that the City give notice to all interested parties of the fee increase and amendments in accordance with the Garbage Container Licence Agreements.

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Housekeeping Amendment to the Garbage Container Licence Agreement

The addition of the following section to the Garbage Container Licence Agreement will help address situations where the container user information is out-of-date.

15. **Change in User contract or information.** If at any time during the Term:

(a) the Company becomes aware of a change in any User information in respect of an Approved Location from the User information set out in the Schedule B submitted in respect of that Approved Location, the Company shall, within 5 business days of becoming aware of such change, deliver a completed copy of Schedule D for that Approved Location to the City setting out the updated User information;

(b) the contract between the Company and a User to supply Container service to an Approved Location is terminated, the Company shall, within five business days of the effective date of the termination, deliver a completed Schedule C to notify the City of the termination; and

(c) the contract between the Company and a User to supply Container service to an Approved Location is assigned to a new User, the Company shall, within five business days of such assignment, deliver to the City a completed copy of Schedule D with the agreement from the new User to the City set out therein duly completed and signed by the User in a manner satisfactory to the City Engineer.