To: Chair and Members
Audit and Administration Committee
Outstanding Business Item No. N/A and Issue:

From: Ann Pekaruk
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Re: Postponement of Long Term Contract Review - Blue Box Collection
(CM09011) (City Wide)

Council Direction:

On January 28, 2009, Council approved the 2009 Internal Audit Work Plan which included the review of the long term contract for blue box collection.

Information:

As part of the ongoing program to review all long term waste management contracts (as requested by Audit and Administration Committee in 2008), the contract for blue box collection was included in the 2009 Internal Audit Work Plan and scheduled for completion in late 2009.

Having completed three of the major waste management contract reviews, it was noted that contract management processes were effective and most non-compliance issues identified were of a minor housekeeping nature. In addition, staff of the Waste Management Division have indicated that a significant commitment of its staff time had been required to support these three reviews within the relatively short period of approximately one year.

In contract review, it is advantageous to have a 2-3 year history for performance and statistical comparisons. As the agreement with a new contractor only came into effect March 31, 2008, this history will not be available if the review is carried out in 2009. Possibly even more advantageous to the Division would be the completion of the review in the year before the expiry of the current contract as the results may be useful in drafting terms and clauses of the tender document for a new contract while still leaving time for the Division to address the identified issues with the current contractor.
Based on all the above factors, Internal Audit has decided to delay the review of the blue box collection contract until at least 2011.

This information report is provided to account for all items on the Council approved Audit Work Plan to the Audit and Administration Committee.

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Ann Pekaruk
Director, Audit Services
City Manager’s Office

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