

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Works Committee

Meeting 11

Wednesday, October 13, 2004

A special meeting of the Works Committee was held on Wednesday, October 13, 2004, in Committee Room 4, 2nd Floor, City Hall, Toronto, commencing at 12:10 p.m.

Members Present:

	<u>12:30 p.m - 2:55 p.m.</u>
Councillor Jane Pitfield, Chair	x
Deputy Mayor Sandra Bussin, Vice-Chair	x
Councillor Bas Balkissoon	x
Councillor Glenn De Baeremaeker	x
Councillor Mike Del Grande	x
Councillor Paula Fletcher	x
Councillor Adam Giambrone	x
Councillor Michael Thompson	x

Members were present for some or all of the time period indicated.

Deputy Mayor Bussin in the Chair.

**11.1 Processing Capacity for Source Separated Organic Material
Request for Proposal No. 9155-03-5280**

The Works Committee again considered the following reports:

- (i) (August 27, 2004) from the Acting Commissioner of Works and Emergency Services.

Recommendations:

The recommendations in this report supersede and replace those contained in the joint report from the Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer, dated June 17, 2004, and entitled "Request for Proposals No. 9155-03-5280, Processing Capacity for Source Separated Organic Material", which

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Works Committee had before it at its meeting held on June 29, 2004.

It is recommended that:

- (1) the Acting Commissioner of Works and Emergency Services be authorized to negotiate and enter into contracts for Processing Capacity for Source Separated Organic Material with the following respondents, for ten-year terms, in accordance with Request for Proposal No. 9155-03-5280, for Processing Capacity for Source Separated Organic Material, and the proposals submitted by each of the respondents, at prices not to exceed those presented in the In Camera report dated June 17, 2004, and entitled "Processing Capacity for Source Separated Organic Material – Supplemental Report on the Cost of Services Request for Proposal No. 9155-03-5280", on terms and conditions described in this report, including Attachment 1: Key Terms of SSO Processing Contracts, and otherwise on terms and conditions consistent with this report, and satisfactory to the Commissioner of Works and Emergency Services and in a form satisfactory to the City Solicitor:
 - (a) Courtice Auto Wreckers Limited to process up to 10,000 tonnes per year of SSO material at their facility located at 1515 Thornton Road North in Oshawa, Ontario, beginning as early as September 2005;
 - (b) All Treat Farms Limited to process up to 10,000 tonnes per year of SSO material at their facility located at 7963 Wellington Road 109 in the Town of Arthur in Wellington County, Ontario, beginning as early as July 2006;
 - (c) KC Environmental Group Ltd. to process up to 10,000 tonnes per year of SSO material at their facility located at Arthur Township Sideroad No. 5 West in the Township of Wellington North in Wellington County, Ontario, beginning as early as September 2006; and
 - (d) Halton Recycling Ltd. and Halton Recycling (2003) Ltd. to process up to 100,000 tonnes per year of SSO material at their facility located at 395 Harry Walker Drive in Newmarket, Ontario, beginning as early as January 2007;
- (2) the Acting Commissioner of Works and Emergency Services be authorized to enter into discussions with other GTA municipalities regarding possible co-operation in the development of a municipally owned and operated organics processing facility; and

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- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;
- (ii) (June 17, 2004) from the Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer entitled “Request for Proposals No. 9155-03-5280 Processing Capacity for Source Separated Organic Material – Supplemental Report on the Cost of Services”, such report to remain confidential having regard that the subject matter relates to the security of the property of the municipality;
- (iii) (September 30, 2004) from the Acting Commissioner of Works and Emergency Services responding to questions raised by the Works Committee at its meeting on September 8, 2004, and to follow-up questions raised by members of the Committee at their meeting with staff on September 17, 2004, including the purpose of the Request for Proposals for the small scale facility; the operating results of the Dufferin organics processing facility to date; whether the City should also negotiate with SGC; and whether the City could ask the four preferred respondents for five-year prices; advising that staff are recommending that they be authorized to negotiate and enter into contracts with the four respondents and that their proposed tonnage be shared amongst the City and its partners in the RFP, the Regions of York and Durham; and also advising that once the RFP process is closed, staff can undertake a detailed review of options for developing one or more publicly owned and operated facilities, including a possible expansion of the Dufferin facility, either alone or in co-operation with York and/or Durham Regions.

Recommendation:

It is recommended that this report be received for information; and

- (iv) (June 17, 2004) from the Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer.

Recommendations:

It is recommended that:

- (1) the Commissioner of Works and Emergency Services be authorized to negotiate and award contracts for processing capacity for source separated organic material with the following highest scoring respondents meeting the requirements, for ten-year terms, in accordance with Request for Proposal No. 9155-03-5280, for processing capacity for source separated organic material, and the proposals

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submitted by each of the respondents, at prices not to exceed those presented in the supplementary In Camera report entitled "Processing Capacity for Source Separated Organic Material – Supplemental Report on the Cost of Services Request for Proposal No. 9155-03-5280", and otherwise on terms and conditions consistent with this report, including Attachment 1: Key Terms of SSO Processing Contracts, and satisfactory to the Commissioner of Works and Emergency Services and in a form satisfactory to the City Solicitor:

- (a) Courtice Auto Wreckers Limited to process up to 10,000 tonnes per year of SSO material at their facility located at 1515 Thornton Road North in Oshawa, Ontario, beginning as early as September 2005;
 - (b) All Treat Farms Limited to process up to 10,000 tonnes per year of SSO material at their facility located at 7963 Wellington Road 109 in the Town of Arthur in Wellington County, Ontario, beginning as early as July 2006;
 - (c) KC Environmental Group Ltd. to process up to 10,000 tonnes per year of SSO material at their facility located at Arthur Township Sideroad No. 5 West in the Township of Wellington North in Wellington County, Ontario, beginning as early as September 2006; and
 - (d) Halton Recycling Ltd. and Halton Recycling (2003) Ltd. to process up to 100,000 tonnes per year of SSO material at their facility located at 395 Harry Walker Drive in Newmarket, Ontario, beginning as early as January 2007;
- (2) the appropriate availability of operating expenditures per year as estimated in Table 1 of the accompanying supplemental In-Camera report be contingent on Council approval of the associated yearly operating budgets; and
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

The Committee also considered the following communications:

- (i) (June 24, 2004) from Stephen M. Quigley, P.Eng., Conestoga-Rovers & Associates;
- (ii) (August 31, 2004) from Bruce Hunt, Director, Planning Services, Department of Development Services, City of Oshawa, advising that on August 30, 2004, the

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Development Services Committee of the City of Oshawa adopted the following recommendation:

“That the City of Toronto Works Committee be requested to defer consideration of that portion of the June 17, 2004, report of the Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer regarding contractual arrangements with Courtice Auto Wreckers Limited/Northwood Recycling and Energy Inc. involving the use of their Thornton Road North facility in Oshawa for the processing of source separated organic material until Oshawa City Council has concluded a position on future land use in the Northwood Industrial Park.”;

- (iii) (September 17, 2004) from Sandra Kranc, City Clerk, City of Oshawa, advising that City of Oshawa Council on September 13, 2004, adopted a recommendation of the Development Services Committee which recommended that the City of Toronto Works Committee be requested to defer consideration of that portion of the June 17, 2004 report of the Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer regarding contractual arrangements with Courtice Auto Wreckers Limited/Northwood Recycling and Energy Inc. involving the use of their Thornton Road North facility in Oshawa for the processing of source separated organic material until Oshawa City Council has concluded a position on future land use in the Northwood Industrial Park;
- (iv) (October 6, 2004) from Bruce Hunt, Director, Planning Services, Department of Development Services, City of Oshawa, with respect to Courtice Auto Wreckers Limited, and forwarding a staff report on the Northwood Industrial Park Land Use Review;
- (v) (October 6, 2004) from Bill Guthrie, Vice-President, Toronto Civic Employees' Union – Local 416, CUPE;
- (vi) (October 5, 2004) from Maureen Reilly;
- (vii) (October 12, 2004) from Maureen Reilly;
- (viii) (October 13, 2004) from Maureen Reilly; and

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- (ix) (October 13, 2004) from Ted Goodchild, Commissioner, Department of Development Services, City of Oshawa, providing additional information on the Works Committee's consideration of a proposal by Courtice Auto Wreckers Ltd. to collect source separated organic material in the City of Toronto for processing at 1515 Thornton Road North, in the City of Oshawa.

The Committee also noted a technical amendment to the staff reports amending the address for Courtice Auto Wreckers Limited to read "1515 Thornton Road North".

Councillor Pitfield moved the adoption of the staff recommendations in the Recommendations Section of the report (August 27, 2004) from the Acting Commissioner of Works and Emergency Services.

Councillor Giambrone moved that:

- (1) the motion by Councillor Pitfield be amended by adding the following words after the words "Acting Commissioner of Works and Emergency Services:
- "subject to the following:
- (i) Toronto's portion of the total tonnage of Source Separated Organic (SSO) material processing to be awarded through this Request for Proposals not exceed 70,000 tonnes per year; and
- (ii) the contracts for that capacity limit Toronto's liability to exposure only to Toronto's SSO volumes, only, contracted for at the respective facilities;"
- (2) the remainder of Toronto's long-term SSO tonnage be designated for processing at publicly owned and/or operated facility or facilities;
- (3) a sub-committee of the Works Committee be struck to develop and steer the SSO Business Plan for processing the remainder of Toronto's long-term SSO tonnage at a publicly owned facility or facilities, and that such sub-committee meet a minimum of six times per year to also ensure implementation and completion; and

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- (4) the discussions with other municipalities referred to in Recommendation (2) of the August 27, 2004, report be carried out under the direction of the new sub-committee.

Councillor Balkissoon moved that:

- (1) approval of the contract be subject to staff being directed to negotiate with the proponents the feasibility of a five-year contract;
- (2) part (3) of the motion by Councillor Giambrone be amended to read as follows:
 - “(3) a sub-committee of the Works Committee be struck to develop and steer the SSO Business Plan for processing the remainder of Toronto’s long-term SSO tonnage at a publicly owned facility or facilities, with a focus on expansion of the Dufferin organics processing facility and an acceleration of that expansion; and that such sub-committee meet bi-monthly to also ensure implementation and completion;” and
- (3) the Request for Proposals be cancelled.

Councillor Thompson moved that all contracts related to SSO materials resulting from the RFP be brought under confidential cover to the Works Committee for information purposes, prior to being signed by the parties involved.

Councillor De Baeremaeker moved that the motion by Councillor Giambrone be amended by deleting the word “or” in Recommendation (2) to read: “publicly owned and operated facility”, **which was subsequently withdrawn.**

Upon the question of the adoption of the motion by Councillor Thompson, **it was carried.**

Upon the question of the adoption of part (1) of the motion by Councillor Balkissoon, **it was ruled out of order.**

Upon the question of the adoption of part (2) of the motion by

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Councillor Balkissoon, amending part (3) of the motion by Councillor Giambrone, **it was carried**

Upon the question of the adoption of part (3) of the motion by Councillor Balkissoon, **it was lost**.

Upon the question of the adoption of the motion by Councillor Giambrone, with amendment to part (3) by Councillor Balkissoon, **it was carried**

Upon the question of the adoption of the motion by Councillor Pitfield, as amended by part (1) of the motion by Councillor Giambrone, **it was carried**.

Councillor Balkissoon requested that he be recorded as having voted in the negative on the motion by Councillor Pitfield.

The following is a summary of the taken by the Works Committee:

The Committee recommended to the Policy and Finance Committee that:

- (1) City Council adopt the staff recommendations in the Recommendations Section of the report (August 27, 2004) from the Acting Commissioner of Works and Emergency Services, subject to the following:
 - (i) Toronto's portion of the total tonnage of Source Separated Organic (SSO) material processing to be awarded through this Request for Proposals not exceed 70,000 tonnes per year; and
 - (ii) the contracts for that capacity limit Toronto's liability to exposure only to Toronto's SSO volumes, only, contracted for at the respective facilities;
- (2) the remainder of Toronto's long-term SSO tonnage be designated for processing at publicly owned and/or operated facility or facilities;
- (3) a sub-committee of the Works Committee be struck to develop and steer the SSO Business Plan for processing the remainder of Toronto's long-term SSO tonnage at a publicly owned facility or facilities, with a focus on expansion of the Dufferin organics processing facility and an acceleration of that expansion; and that such sub-committee meet bi-monthly to also

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ensure implementation and completion;

- (4) the discussions with other municipalities referred to in Recommendation (2) of the August 27, 2004 report be carried out under the direction of the new sub-committee; and
- (5) all contracts related to SSO materials resulting from the RFP be brought under confidential cover to the Works Committee for information purposes, prior to being signed by the parties involved.

(Policy and Finance Committee; c: Acting Commissioner of Works and Emergency Services; Chief Financial Officer and Treasurer; General Manager, Solid Waste Management Services – October 13, 2004)

The Works Committee adjourned its meeting at 2:55 p.m.

Chair.