



**STAFF REPORT
ACTION REQUIRED**

Contract Extension for Region of Peel Waste Transfer Agreement

Date:	June 11, 2007
To:	Public Works and Infrastructure Committee
From:	Acting General Manager, Solid Waste Management Services
Wards:	All
Reference Number:	p:/2007/swms/June/019PW.doc

SUMMARY

The purpose of this report is to obtain approval to exercise the extension option available in the current contract between the City and the Region of Peel for the transfer of the Region of Peel waste through the Disco Transfer Station.

RECOMMENDATIONS

The Acting General Manager, Solid Waste Management Services, recommends that:

1. the City exercise the option in the existing contract with the Region of Peel for an additional term of up to three (3) years for the transfer of the Region of Peel waste through the Disco Transfer Station;
2. the Acting General Manager be authorized to execute an amending agreement with the Region of Peel on terms and conditions acceptable to the Acting General Manager and the City Solicitor; and,
3. the appropriate officials be authorized and directed to take the necessary action to effect thereto.

Financial Impact

The City has the existing infrastructure and resources capable of providing this transfer service to the Region of Peel.

During the 5 year contract with the Region of Peel the City has realized the following revenues (net of GST):

Year	Rate Per tonne	Tonnage	Revenue
2002	\$8.60	38,163	\$328,205.15
2003	\$8.99	94,741	\$851,728.78
2004	\$11.94	106,896	\$1,276,345.88
2005	\$12.06	107,211	\$1,292,972.14
2006	\$12.39	72,071	\$892,961.80
2007 (to end of contract July 11, 2007)	\$12.43	15,000 (estimated)	\$186,450

Should the City extend the agreement for a further term of up to three years the potential revenue realized will be (net of GST):

Year	Estimated Rate Per tonne (Actual based on an estimated annual CPI increase)	Estimated Tonnage*	Estimated Revenue
July 12 – December 31, 2007	\$12.43	15,000	\$186,450
2008	\$12.47	30,000	\$374,100
2009	\$12.51	30,000	\$375,300
January 1 – July 11, 2009	\$12.55	15,000	\$188,250
Total		90,000	\$1,124,100

* Estimates only for reporting purposes. The Region of Peel will provide estimates based on their operational needs annually to the City as outlined in the agreement

The estimated revenue from July 12 to December 31, 2007 has been included as part of the approved 2007 Solid Waste Management Services operating budget (SW0805-8580). Estimated revenue generated in 2008 will be included as part of the 2008 operating budget submission.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In 2002, the City entered into the current Waste Transfer Agreement with the Region of Peel. The Agreement allows the Region of Peel to utilize the Disco Transfer Station to dispose of excess weekly residual waste that cannot be managed in their incinerator or through their transfer operations due to capacity limitations.

The authorization for this report can be found at:

www.toronto.ca/legdocs/2002/agendas/council/cc020213/wks2rpt/cl007.pdf

ISSUE BACKGROUND

The Region of Peel requires transfer capacity for excess weekly residual waste that cannot be managed at their incinerator or through their transfer operations due to capacity limitations. The City entered into a 5 year agreement with the Region of Peel commencing July 12, 2002 for the transfer of their residual waste directly to their haulage vehicles.

The City of Toronto has existing infrastructure to provide that transfer capacity to Region of Peel, and the proximity of the Disco Transfer Station to the border with the Region of Peel has provided an opportunity to offer this service to the Region of Peel.

COMMENTS

The contract obligates the City of Toronto to receive the waste from the Region of Peel and load it onto their tractor trailers. The Region of Peel then reassumes the waste and is responsible for all shipping and final disposal of the waste. The City currently charges the Region of Peel a transfer fee of \$12.43 per tonne for receiving and loading.

The current contract term expires July 11, 2007. There is a provision in the contract for an additional extension upon the mutual agreement of both parties.

The Region of Peel has provided written notice to the City of Toronto that they would like to extend the contract. By extending the existing contract by up to 3 years, the City may realize potential revenues of approximately \$1,124,100.

CONTACT

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SIGNATURE

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