



**STAFF REPORT  
INFORMATION ONLY**

**Purchase Order Amendment for Contract Nos. 47004758  
and 47005431, For Curbside Waste, Recycling, Organics,  
Yard Waste and Bulky Items Collection in the Former  
Etobicoke**

<b>Date:</b>	September 26, 2008
<b>To:</b>	Public Works and Infrastructure Committee
<b>From:</b>	General Manager, Solid Waste Management Services Acting Director, Purchasing and Materials Management Division
<b>Wards:</b>	Wards 1, 2, 3, 4, 5 and 6
<b>Reference Number:</b>	p:/2008/swms/Oct./014PW

**SUMMARY**

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The purpose of this report is to advise on the over expenditure of Contracts Nos. 47004758 and 47005431 for Curbside Waste, Recycling, Organics, Yard Waste and Bulky Items collection in the former Etobicoke area for the period of July 10, 2002 to June 30, 2008 by a total estimated amount of \$1,697,794.95 excluding G.S.T. from \$34,297,560.00 to \$35,995,354.95.

## Financial Impact

The revised amount in the purchase order amendment for waste collection services covered to the end of the contract term on June 30, 2008 is estimated to be \$1,697,794.95. The 2008 Approved Operating Budget for Solid Waste Management Services includes sufficient funding to cover these additional expenses which will be charged to Cost Element 4440 Contracted Services in various Cost Centers as follows:

<b>Cost Center</b>	<b>Description</b>	<b>Cost Element 4440</b>
SW0361	Etob Yd-Dist 2-Recycle Collection	\$4,001,399.32
SW0368	Etob Yd-Dist 2-Wste Col Curb	(\$8,606,019.34)
SW0375	Etob Yd-Dist 2-Organic Collection	\$6,302,414.97
<b>Total Amendment</b>		<b>\$1,697,794.95</b>

The total increase in the value of this Contract in the amount of \$1,697,794.95 includes an adjustment in the amount of \$617,538.33 charged to Blanket Contract Purchase Order 47004758 and \$1,080,256.62 charged to Blanket Contract Purchase Order 47005431.

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

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## DECISION HISTORY

The report at <http://www.toronto.ca/legdocs/2001/minutes/council/cc011002.pdf> (page 43) provided the approval for the issuance of a contract under Tender 95-2001 to Turtle Island Municipal Services for Curbside Waste, Recycling, Organics, Yard Waste and Bulky Items collection in the former Etobicoke area for a period of approximately six years from July 10, 2002 to June 30, 2008.

## ISSUE BACKGROUND

This contract is based on a per tonne fee and hourly rate billing invoiced monthly. The actual costs for this type of contract are variable and dependant on actual tonnes collected or hours worked.

There have been no amendments to the target value of the contract to date.

## COMMENTS

The Table below summarizes the growth in waste diversion quantities and corresponding reduction in waste quantity.

Summary of Collected Quantities				
Product	Original Tendered Tonnage 6 Years	Collected Tonnage	Tonnage Variance	% Variance
Waste	327,000	217,154	-109,846	-33.59
Organics	60,000	75,772	15,772	26.29
Recyclables	84,000	124,066	40,066	47.69
Yard Waste	42,000	79,616	37,616	89.56
Total	513,000	496,608	-16,392	-3.20

The Table below summarizes cost amounts (indicated in bold) impacting the contract.

Summary of Costs			
Item	Original Estimate	Actual Cost	Variance
Waste	\$21,323,280.00	\$12,143,770.62	(\$9,179,509.38)
Organics	\$3,300,000.00	\$4,150,984.27	\$850,984.27
Recyclables	\$4,620,000.00	\$7,634,458.35	\$3,014,458.35
Yard Waste	\$5,054,280.00	\$9,575,255.96	\$4,520,975.96
Consumer Price Index (CPI) Adjustment	\$0.00	\$1,500,612.78	\$1,500,612.78
Yellow Bag Program Commercial Recycling & Organics Collection & Other Incidental Costs	\$0.00	\$990,272.97	\$990,272.97
Total Cost	\$34,297,560.00	\$35,995,354.95	\$1,697,794.95

The value of the contract has been impacted by a combination of factors including the significant increase in yard waste, recyclables and organic collection. CPI adjustment mandated in the contract has averaged approximately 1.62% per year. This adjustment was not included in the original estimate since the amounts were not known at that time. Incidental costs also include handling of radioactive loads consistent with the Radiation Response Program.

Contract No. 47004758 and Contract No. 47005431

The amendment increases the value of Contracts Nos. 47004758 and 47005431 for Curbside Waste, Recycling, Organics, Yard Waste and Bulky Items collection in the former Etobicoke area for the period of July 10, 2002 to June 30, 2008 by a total estimated amount of \$1,697,794.95 excluding G.S.T. from \$34,297,560.00 to \$35,995,354.95.

All work under these contracts have now been completed. The subject amendment is required to document final payment for work conducted under these contracts. It should also be noted that all additional expenditures are based upon the current terms, conditions and unit rates as in the respective contracts noted in this report.

**CONTACTS**

Robert Orpin  
Director, Collections Operations  
Solid Waste Management Services  
25th Floor, East Tower  
City Hall  
Telephone: 416-392-8286  
E-mail: [rorpin@toronto.ca](mailto:rorpin@toronto.ca)

John McNamara  
Manager, Goods and Services  
Purchasing and Materials Management Division  
17<sup>th</sup> Floor, West Tower  
City Hall  
Telephone: 416-392-7316  
E-mail: [jmcnama@toronto.ca](mailto:jmcnama@toronto.ca)

**SIGNATURE**

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Geoff Rathbone  
General Manager  
Solid Waste Management Services

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Victor Tryl, P. Eng  
Acting Director  
Purchasing and Materials Management Division