



STAFF REPORT ACTION REQUIRED

Purchase Order Amendment - Wastewater System By-Products Transportation and Disposal

Date:	October 23, 2009
To:	Public Works and Infrastructure Committee
From:	General Manager, Toronto Water Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:\2009\Cluster B\TW\pw09027

SUMMARY

The purpose of this report is to request authority to amend Purchase Order 47008040 for the transportation of Wastewater System By-Products. The total amount being requested is \$500,000.00 net of GST, revising the current contract value of \$9,415,000.00 to \$9,915,000.00 net of GST.

The quantities of the various by-products requiring disposal have increased beyond original estimates as additional water treatment plant residual materials are being generated since new process equipment has been fully commissioned.

On April 19, 2009 Toronto Water requested an amendment in the amount of \$500,000.00 to cover additional usage for the contract. This amendment was approved by the City Manager. Toronto Water is now requesting an additional amount of \$500,000.00 net of GST to Contract 47008040 for a total amendment of \$1,000,000.00 net of GST for this contract.

RECOMMENDATIONS

The General Manager of Toronto Water and the Director of Purchasing and Materials Management Division recommend that Public Works and Infrastructure Committee grant authority to:

1. Amend Purchase Order 47008040 for the haulage of wastewater by-products by an additional amount of \$500,000.00 net of GST, revising the current contract value from \$9,415,000.00 to \$9,915,000.00 net of GST.

FINANCIAL IMPACT

The amendment for an additional \$500,000.00 net of GST increases the current contract value with Wilson Logistics Inc. from \$9,415,000.00 to \$9,915,000.00 net of GST. Funding is available in the 2009 Toronto Water Operating Budget in various accounts as follows: WW100 Wastewater Treatment, WW200 District Operations, PW100 Water Treatment & Supply and in the 2009 Transportation Services Operating Budget Account TP110 Roadway Services.

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

BACKGROUND INFORMATION

At its meeting on April 14, 15 and 16, 2003, City Council authorized the execution of the Wastewater System By-Products Transportation and Disposal Agreement between the City, Wilson Logistics Inc., later known under the corporate entity of Trailcon Leasing Inc., Republic Services Inc., Republic Services of Canada Inc., and Republic Services of Michigan I, LLC, doing business as Carleton Farms.

[http://www.toronto.ca/legdocs/2003/agendas/council/cc030414/nomj\(24\).pdf](http://www.toronto.ca/legdocs/2003/agendas/council/cc030414/nomj(24).pdf)

<http://www.toronto.ca/legdocs/2003/agendas/council/cc030414/cofa.pdf>

At its meeting on December 1, 2 and 3, 2008 City Council authorized the assignment of the transportation component of the original Wastewater Systems By-Products Transportation and Disposal contract from Wilson Logistics Inc. to Triwaste Services Inc.

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-12-01-cc27-dd.pdf>

COMMENTS

The assignment of the transportation component of the original Wastewater Systems By-Products Transportation and Disposal contract from Wilson Logistics Inc. (under Trailcon Leasing Inc.) to Triwaste Services Inc. took several months to finalize and was not executed by the parties until June 2009. Up until the execution of the amending agreement, staff continued to rely on the existing contract with Wilson Logistics and as such, the contract became overspent. The contract with Wilson Logistics Inc. will effectively end once the open contract for Triwaste Services Inc. has been established.

The quantities of grit, screenings, catch basin and sewer debris that required disposal exceeded original estimates. Additionally, water treatment plant residual material (from the filter backwash process) is being generated since new process equipment has been fully commissioned.

The requested amount is for the payment of outstanding invoices in the amount \$400,000 net of GST for services already completed by Wilson Logistics Inc and the remaining

amount of \$100,000.00 net of GST will be for services required until a new contract is executed with Triwaste Services.

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SIGNATURE

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