

Amendment to Blanket Contract 47007628 – Miller Waste Systems

Date:	October 16, 2009
To:	Public Works and Infrastructure Committee
From:	General Manager, Solid Waste Management Services Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	p:/2009/swms/Nov./020PW

SUMMARY

The purpose of this report is to request authority to amend Blanket Contract 47007628 for winter leaf and yard waste composting services with Miller Waste Systems, A Division of Miller Paving Limited to increase the target value by \$1,531,014.00 net of GST from \$5,520,439.61 net of GST to \$7,051,453.61 net of GST to cover the over expenditure of the contract to date and to accommodate all potential leaf and yard waste processing needs that will be required to December 31, 2009.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services and the Director of Purchasing and Materials Management recommend that:

1. The Public Works and Infrastructure Committee grant authority to amend Blanket Contract 47007628 to Miller Waste Systems, A Division of Miller Paving Limited for winter leaf and yard waste composting services from \$5,520,439.61 net of GST by the amount of \$1,531,014.00 net of GST, to a revised total value of \$7,051,453.61 net of GST.

Financial Impact

There is no financial impact beyond the \$7,300,000.00 net of GST already been approved in the 2009 Solid Waste Management Services (SWMS) Operating Budget under Cost Centre SW0477, Cost Element 4403. Period 9 projections estimate year end expenditures of \$6,342,000.00 net of GST. This projection includes the estimated funds required under this contract to December 31, 2009. The total value of the contract from April 1, 2003 to December 31, 2009 net of GST is \$5,520,439.61 and requires an increase of \$1,531,014.00 net of GST, to a revised total value of \$7,051,453.61 net of GST.

Contract Value amendments are as follows, net of GST:

Current Contract Value	\$5,520,439.61	
Total To-date Cost Incurred	\$5,933,298.61	
Current Contract Over Spending		\$412,859.00
Additional Contract Value Amendment		\$1,118,155.00
Total Contract Value Amendment		\$1,531,014.00
Revised Total Contract Value	\$7,051,453.61	

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

DECISION HISTORY

City Council at its regular meeting held on November 26, 27 and 28, 2002, adopted Clause 24 embodied in Report No. 15 of the Policy and Finance Committee, entitled "Leaf and Yard Waste Composting Services, Request for Proposals No. 9150-02-7246" without amendment and by doing so authorized the award of multiple leaf and yardwaste composting services for a term of five years plus an option of up to two (2) possible one (1) year extensions. This document can be viewed at:
www.toronto.ca/legdocs/2002/agendas/council/cc021126/pof15rpt/cl024.pdf

City Council at its regular meeting held on November 30, December 1 and 2, 2004, adopted Clause 3, Report No. 10 of the Works Committee, entitled "Request for Approval of Amendment to Blanket Contract Purchase Orders for Processing Leaf and Yard Waste in the Solid Waste Management Program" authorizing amendment to target values of various leaf and yardwaste contracts to accommodate the increased tonnage processed in 2004. This document can be viewed at:
www.toronto.ca/legdocs/2004/agendas/council/cc041130/wks10rpt/cl003.pdf

City Council at its regular meeting held on July 16, 17, 18 and 19, 2007 adopted Report CC11.7 entitled "Settlements Related to Collection Contracts" and by doing so instructed staff to amend the volume allowance within the agreement between the City and Miller Waste Systems, a Division of Miller Paving Limited, for leaf and yard waste composting services, in accordance

with Appendix “A” to the Confidential Attachment with the report. This document can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

ISSUE BACKGROUND

Purchasing and Materials Management Division (PMMD) issued a Request for Proposals (RFP) No. 9150-02-7246 in 2002 for winter leaf and yard waste composting services with estimated annual requirements. The RFP estimated, based on generation rates at that time, 60,000 tonnes per year of leaf and yard waste that would require annual processing.

In 2003, the first year of the leaf and yard waste processing services contracts with each of the contractors, the City generated a total of 85,000 tonnes of leaf and yard waste material. In 2007 and 2008, the City collected 94,682 tonnes and 109,337 tonnes respectively of leaf and yard waste from the residential curbside collection program and commercial customers, using the City’s various transfer facilities.

Consequently, the City has been shipping additional quantities of material to its processing contractors based on their available capacities and the Division’s abilities to expeditiously move the material while maintaining operational efficiencies and ensuring compliance with Provincial Certificate of Approvals. Miller Waste Systems, has processed additional tonnages above the original contracted amount. Previous contract amendments have been requested and processed based on both actual and projected increased processing requirements. However, operational requirements, in addition to the grinding requirements imposed by the CFIA as a result of the Emerald Ash Borer Beetle, required the diversion of over 18,000 tonnes in 2007 and 24,000 tonnes of material in 2008 to Miller Waste Systems.

COMMENTS

This report is not requesting additional funds since the 2009 SWMS Operating Budget includes \$7,300,000.00 to process increased leaf and yard waste tonnages, However; existing contractor agreements require amendments to allow the City to ship additional tonnages to the contractors.

Increased leaf and yard waste tonnages have resulted in a contract cost over expenditure by \$412,859.00 with Miller Waste Systems. SWMS estimates that an additional 21,000 tonnes collected through the fall season may be sent to Miller Waste Systems to be processed through to December 31, 2009. This additional tonnage will cost up to \$1,060,710.00 in processing fees and have been provided for in the 2009 budget.

In addition, the contractual CPI adjustments for Miller Waste Systems for 2008 and 2009 have been processed and will result in a further impact of \$57,445.00 all in accordance with the terms and conditions of the original contract. This, combined with the current over expenditure and estimated tonnage remaining to be shipped through the fall season will result in a required increase in the current target value of contract 47007628 of \$1,531,014.00 from \$5,520,439.61 to \$7,051,453.61 net of GST.

This is the final year of the contract between the City and Miller Waste Systems for the processing of leaf and yard waste composting services. A Request for Quotation will be issued for the 2010 season and beyond and will be representative of current processing requirements.

CONTACT

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SIGNATURE

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