

# **TORONTO** STAFF REPORT

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August 20, 2003

To: Works Committee

From: Barry H. Gutteridge, Commissioner - Works and Emergency Services

Subject: Co-ordination of Waste Diversion and Disposal Initiatives in the Greater Toronto Area (GTA)

Purpose:

To provide information on the status of co-operative efforts that are underway between the City of Toronto (the “City”), the Regional Municipalities of York, Peel and Durham (the “GTA Waste Management Strategy Team”) and the Ministry of the Environment to co-ordinate waste diversion and disposal initiatives in the GTA.

Financial Implications and Impact Statement:

This report details three budget impacts associated with the co-operative undertaking by the GTA Waste Management Strategy Team and the Ministry of the Environment.

The budget impacts arising from the cost sharing initiatives for the hiring of consultants by the GTA Waste Management Strategy Team are summarized below. The City’s share of the cost is 44 percent, which is based on the relative solid waste tonnage generated by the City in comparison to the GTA Regional Municipalities.

The total net cost to the City for the engagement of the consulting firms is \$103,305.

A. Kelleher Environmental

Kelleher Environmental has been engaged through a sole sourcing process to prepare a “Background” document that will be a reference regarding diversion initiatives in the GTA and current disposal requirements.

The cost to retain Kelleher Environmental is \$20,000 net of G.S.T. rebate, of which the City’s share (44 percent) is \$8,800. The balance is recovered from the other GTA partners.

The City's cost will be accommodated in the approved 2003 Operating Budget of Solid Waste Management Services - Cost Centre SW0706.

B. Marketing Resource Group

The firm Marketing Resource Group of Lansing, Michigan has been engaged through a sole sourcing process to oversee distribution of the Background document and associated liaison in Michigan.

The cost to retain Marketing Resource Group is approximately CDN \$35,000 of which the City's share (44 percent) is \$15,400 net of G.S.T. rebate. The balance is recovered from the other GTA partners.

The City's costs will be accommodated in the approved 2003 Operating Budget of Solid Waste Management Services - Cost Centre SW0706.

C. Earth Tech/MacViro

Earth Tech Canada and MacViro Consultants have been engaged through a sole sourcing process on the part of York Region.

This consortium has been engaged to undertake a technological review of the responses to the City's recent Request for Expressions of Interest for New and Emerging Technologies and to draft a generic report for proposals for the next stage of the process.

The cost to retain this consortium is \$179,785 net of G.S.T. rebate. The City's share (44 percent) is \$79,105 which will be paid to York Region through a City Purchase Order.

The City's portion of the cost to engage Earth Tech and MacViro will be accommodated in the Capital Project CSW004-16 in the approved 2004 Capital Works Program of Solid Waste Management Services.

The Chief Financial Officer and Treasurer has reviewed and concurs with the financial implications section contained in this report.

Recommendation:

It is recommended that this report be received for information.

Background:

In Spring 2003, former Minister of the Environment Chris Stockwell requested, and received from the City, and the Regions of York, Durham and Peel contingency plans for waste disposal

in the event of a disruption at the Canada/U.S. Border. Subsequently, a meeting was held with Minister Stockwell and representatives from across the GTA including the Chair of the Works Committee, Councillor Brad Duguid.

At the meeting, it was agreed that the City and the Regions of York, Durham and Peel would form a co-operative working group to co-ordinate waste diversion and disposal efforts in the GTA. Bill Fisch, Chairman of York Region, assumed responsibility as Chair of the GTA Waste Management Strategy Team. The first meeting of the Team was hosted by the City of Toronto on July 3, 2003.

#### Comments:

The GTA Waste Management Strategy Team has met on several occasions and has established a staff sub-team to immediately undertake the following three initiatives:

1. Preparation of Background Document on GTA Waste Generation, Diversion and Disposal

The issue of waste shipment from Ontario to Michigan is receiving significant public, media and political attention. It is expected that this attention will intensify in the fall when a number of pieces of legislation dealing with out-of-state waste are considered by the Michigan legislature. It is important that all stakeholders have accurate, up-to-date information on waste export from Ontario and that the aggressive waste diversion initiatives that are underway in the City and the GTA are fully understood. Much of this information has been communicated by the City, but is lacking on a GTA-wide basis.

To communicate key information we are proceeding with the preparation of a "Background" document, which will be a reference on a GTA-wide basis for information on diversion and disposal of municipal waste with particular attention to a Michigan audience.

The Background document is being jointly prepared by the three GTA Regional Municipalities and the City with the assistance of two outside firms. Kelleher Environmental of Toronto, has been retained as the primary technical writer at a cost of \$20,000 including net G.S.T. The principal of the firm, Maria Kelleher, was the author of the Smart Growth Waste Panel Report and is very familiar with GTA waste issues.

In order to ensure that the Background document is relevant and reaches the primary Michigan audience, the GTA partners have also retained the assistance of a Lansing, Michigan Communications firm – Marketing Resource Group, at a cost of US \$25,000 including all applicable taxes (approximately CDN \$35,000).

All costs associated with the Background document, and other joint GTA partner initiatives will be shared amongst the partners in accordance with a tonnage based formula as described in a

Memorandum of Understanding (MOU) attached to this report as Appendix 1. The MOU is being signed by the GTA partners as of the date of this report.

Toronto's share of the estimated total cost of \$55,000 of the Background document is \$24,200 (44 percent of the \$55,000). Funds are available in the 2003 Solid Waste Management Services.

It is anticipated that the Background document will be completed by mid-September 2003.

The GTA Waste Management Strategy Team has suggested to the Ontario Waste Management Association (the "OWMA") that a parallel document on waste shipments and diversion initiatives for privately managed waste exports would be a useful companion to the municipal document. The OWMA has agreed to prepare this companion document.

2. Inclusion of the Regions of York, Durham and Peel in Toronto's RFP for Long Term Source Separated Organics (SSO) Processing

At its meeting of April 14, 15 and 16, 2003 Council authorized the issuance of a Request for Proposals ("RFP") for the long term processing of SSO for a term of up to 15 years beginning as early as June 2004 for up to 140,000 tonnes of capacity. Council further recommended that the RFP include an option for a City owned and operated facility.

As part of the co-operative approach to waste diversion activities in the GTA, the Regions of York, Durham and Peel have requested that they be included in the RFP. This has delayed the release of our RFP until the end of August, but will provide vendors with an opportunity to bid on a larger pool of organic material totalling approximately 250,000 tonnes.

3. New and Emerging Technologies – Request for Expressions of Interest (REOI)

At its meeting of April 14, 15 and 16, 2003 Council directed the issuance of a Request for Expressions of Interest (REOI) for new and emerging solid waste management technology to manage up to 40 percent of residue that cannot be diverted through reduction, reuse, recycling or composting.

Following input from the Citizen and Expert Advisory Group, the REOI was issued on June 2, 2003 and closed on July 14, 2003 (there is a separate report before the September 4, 2003 meeting of Works Committee on the results of the REOI).

The Regions of York, Durham and Peel have been monitoring the Toronto New and Emerging Technology process and were each considering the possibility of issuing a similar Call for Expressions of Interest.

At its meeting of July 22, 23 and 24, 2003 City Council approved Clause No. 2 of Report No. 6 of the Works Committee recommending that: "the Commissioner of Works and Emergency Services be requested to continue efforts to co-ordinate waste diversion and disposal initiatives

in the GTA, including research, development and implementation of new and emerging technologies.”

Based on the fact that the City of Toronto REOI Call was complete, and had received a positive response of 51 Expressions of Interest, it was decided by the GTA Waste Management Strategy Team that the City of Toronto REOI Call could serve as the basis for the evaluation of New and Emerging Technologies for the entire GTA.

Based on their experience in Niagara Region and for the City of Edmonton, the team of Earth Tech Canada and MacViro Consultants were retained to undertake the technological review and to draft a generic RFP for the next step of the process.

The total cost of this work is approximately \$179,785 including net G.S.T. of which Toronto’s share would be approximately \$79,105 including net G.S.T. (44 percent of \$174,785). The City’s share will be accommodated in the Capital Project CSW004-16 in the approved 2003 Capital Works Budget of Solid Waste Management Services.

Conclusions:

This report has provided a status report on the co-operative efforts that are underway between the City, the Regional Municipalities of York, Peel and Durham and the Ministry of the Environment to co-ordinate waste diversion and disposal initiatives in the GTA.

Specifically, we are proceeding to participate in the retainment of Earth Tech and MacViro at a cost to the City of \$79,105 to analyse the recently received responses to the Request for Expressions of Interest for New and Emerging Technologies and undertake additional planning steps. We are also participating in retaining Kelleher Environmental and the Marketing Resource Group at a combined cost to the City of \$24,200 (after partial recovery of costs from

GTA partners) to prepare and distribute a Background document on GTA waste issues with an emphasis on waste diversion activities.

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Attachment (Appendix 1)

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