



**Works & Emergency Services**  
**Barry H. Gutteridge, Commissioner**

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October 20, 2000

Mayor Mel Lastman and  
Members of Council  
City of Toronto

Dear Mayor Lastman and Members of Council:

**Re: TIRM Waste Disposal RFP – Agreement with the Rail Cycle North Consortium**

Further to the Council's authorization from the last Council meeting, the various motions, as adopted by Council were provided to Rail Cycle North ('RCN'). As a result of Mayor Lastman's motion, Council's authorization specifically included a condition that execution of the agreement with RCN was conditional on acceptance within 4 days by RCN of the removal of section 10.6 concerning unavoidable cost increases.

Within the required time, RCN replied in writing that, subject to finalization of the rest of the agreement on mutually satisfactory terms, the deletion of 10.6 would be acceptable. On this understanding, I briefed you and responded to the media on Monday that discussions were continuing.

Subsequently, City staff met with representatives of RCN to finalize the drafting of the RCN contract. As a result, it became apparent that RCN was continuing to pursue the inclusion of provisions to deal with unavoidable costs, as a matter of uncontrollable circumstances, and involving some flow through of those costs to the City.

Given Council's explicit direction on the matter and RCN's position that the matter of unavoidable costs remains an issue to be incorporated in any final contract, it is staff's position that the condition has not been met and that we cannot proceed further to finalize a contract. RCN has been so notified.

Pursuant to Council's authorization of the Mayor's motion dealing with alternate arrangements for handling Toronto's waste, we are proceeding to execute the agreement with Republic Services of Canada Inc. for disposal at the Carleton Farms landfill, Michigan and the amendments to the City's current Waste Transport and Disposal Agreement for disposal at the Arbor Hills landfill, Michigan.

Yours truly,

Barry H. Gutteridge  
Commissioner  
Works and Emergency Services