



## STAFF REPORT ACTION REQUIRED

### Solid Waste Management Services 2015 Capital Budget and 2016-2024 Capital Plan Budget Adjustments

<b>Date:</b>	August 12, 2015
<b>To:</b>	Budget Committee
<b>From:</b>	General Manager, Solid Waste Management Services
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2015\Cluster B\SWM\September\013BU (AFS#21581)

#### SUMMARY

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This report requests City Council's authority to amend Solid Waste Management Services' approved 2015 Capital Budget by adjusting cash flows contained within the Budget and Plan. Project cash flow reallocations and reductions are requested to allow Solid Waste Management Services to continue to deliver projects within its forecasted capital plan and will align the 2015 and 2016-2025 Capital Budget to reflect Solid Waste Management Services capital project delivery schedule and program requirements. The adjustments will reduce the 2015 Capital budget by \$37.298 million to \$56.055 million from \$93.353 million and increase the 2016-2025 Capital Budget by \$35.251 million.

#### RECOMMENDATIONS

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The General Manager of Solid Waste Management Services recommends that:

1. City Council authorize the reallocation of funds in Solid Waste Management Services' approved 2015 Capital Budget and 2016 – 2024 Capital Plan in the amount of \$35.251 million from projects that have been completed or delayed to those requiring additional funding in the same amount as presented in Schedule A (Part A).
2. City Council authorize the reduction of funds in Solid Waste Management Services' approved 2015 Capital Budget and 2016 – 2024 Capital Plan in the amount of \$2.047 million from projects that have an in-year change in scope or have been cancelled as presented in Schedule A (Part B).

## Financial Impact

The proposed adjustments to the Solid Waste Management Services (SWMS) approved 2015 Capital Budget will result in a reduction in the 2015 budget from \$93.353 million to \$56.055 million. The changes are summarized in the table below.

Description	Adjustment (Million)	Notes
Cash flow reallocations to the SWMS 2016-2024 Capital Plan	\$35.251	13 projects as outlined in Schedule A (Part A)
Cash flow reductions	\$2.047	4 projects as outlined in Schedule A (Part B)
Total Adjustments	\$37.298	

The recommended adjustments will align the 2015 Capital Budget with Solid Waste Management Services' capital project delivery schedule, capacity to spend and program requirements.

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

## DECISION HISTORY

At its meeting of March 10 and 11, 2015 City Council approved Solid Waste Management Services' 2015 Capital Budget and 2016-2024 Capital Plan, which included approval of a 2015 Capital Budget cash flow of \$67.924 million (excluding carry forwards). The Council Decision Document can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX3.2>

At its meeting of May 5 and 6, 2015 City Council approved Solid Waste Management Services' 2015 Capital Budget Carry Forward Funding Adjustments of \$17.346 million. The Council Decision Document can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX5.16>

## ISSUE BACKGROUND

Solid Waste Management Services undertook an internal review of capital project status and timelines, which resulted in proposed adjustments outlined in this report. Projects were adjusted to reflect changes in contractor production schedules, revised project timelines, on-going ramp-up of Capital Delivery staff complement, coordination with other projects, RFQ/RFP delays, unanticipated project complexity, and changes and/or adjustments to container distribution demand for first generation Green Bins and multi-residential In-Unit Containers. The changes now reflect current readiness to proceed for 2015 projects as well as anticipated needs for 2016.

## **COMMENTS**

Approval is being sought to amend the Solid Waste Management Services 2015 Capital Budget and 2016 – 2024 Capital Plan as outlined in the attached Schedule A to better align cash flows to forecasted expenditures to reflect the project and program requirements, in accordance with Section 71-9 B to E of the Financial Control By-Law.

## **CONTACT**

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## **SIGNATURE**

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E. (Beth) Goodger  
General Manager  
Solid Waste Management Services

## **ATTACHMENTS**

Schedule A – Part A – Solid Waste Management Services 2015 Capital Budget  
Reallocations due to completion or delayed

Schedule A – Part B – Solid Waste Management Services 2015 Capital Budget  
Reductions due to change of scope and cancellations

**Schedule A – Part A**  
**Solid Waste Management Services 2015 Capital Budget**  
**Reallocations due to completion or delayed**

Program	Sub-Project	WBS	2015 Proposed Reallocation	2016 Proposed Reallocation	Revised Life To Date with Reallocation	Comments
TRANSFER STATION ASSET MANAGEMENT	TRANSFER STATION	CSW361	(10,379,560)	10,379,560	20,592,940	Recruitment process to hire Manager, Capital Delivery took longer than anticipated in order to find qualified successful candidate. Projects within delayed to develop detail terms of reference and accommodate expanded scope of work (e.g. tip floor resurfacing project became a structural rehabilitation of tip floor).
DIVERSION FACILITIES	DUFFERIN SINGLE STREAM ORGANICS (SSO) FACILITY	CSW009-01-01	(10,003,593)	10,003,593	34,820,857	Delayed due to Legal dispute on acceptable proprietary technology that could be utilized. Awaiting Environmental Compliance Approval amendment approvals. Staff Report for contract award scheduled for September 2015.
DIVERSION SYSTEMS	REPLACEMENT WASTE BINS	CSW004-20	(7,093,000)	7,093,000	82,957,000	Delays in mould production have delayed production schedule
BIOGAS UTILIZATION	CONSTRUCTION OF BIOGAS UTILIZATION AT DISCO	CSW017-01-01	(2,518,467)	2,518,467	9,481,533	Renewable Energy Approval is in with Ministry of the Environment and Climate Change awaiting approval for Disco Rd. Delay in Dufferin Organics Processing Facility (DOPF) award as noted above
DISCO SSO FACILITY	DISCO SSO FACILITY	CSW012-01	(1,609,905)	1,609,905	83,133,095	Design-Build-Commission/Operate & Maintain Vendor delayed in addressing deficiencies of plant to achieve final acceptance.
DIVERSION SYSTEMS	DIVERSION FACILITIES ASSET MANAGEMENT	CSW004-27	(372,560)	372,560	277,440	Monies carried for emergency repairs/ad hoc projects. E.g. PCB transformer, water main service break, power outages at facilities, etc. Funds used only if required.
ASSET MANAGEMENT	DIVERSION FACILITIES ASSET MANAGEMENT	CSW370-15-01	(229,000)	229,000		Monies carried for emergency repairs/ad hoc projects. E.g. PCB transformer, water main service break, power outages at facilities, etc. Funds used only if required.
IT CORPORATE INITIATIVES	WORK MANAGEMENT SYSTEM (WMS) IMPLEMENTATION	CSW019-01-01	(1,441,041)	1,441,041	1,024,959	Changes to Request For Proposal approach has extended procurement timelines. Funds still required in 2016 as part of Corporate initiative.
DIVERSION FACILITIES	DUFFERIN SINGLE STREAM RECYCLING FACILITY	CSW008-01-07	(817,583)		8,805,417	Future plan for facility awaiting results of Waste Strategy

Program	Sub-Project	WBS	2015 Proposed Reallocation	2016 Proposed Reallocation	Revised Life To Date with Reallocation	Comments
DIVERSION SYSTEMS	TORONTO COMMUNITY HOUSING CORPORATION ORGANIC (TCHC) IMPLEMENTATION	CSW004-31	(500,000)	500,000	1,000,000	Retrofit complexities have resulted in project delays
SWM APPLICATION INITIATIVES	RADIO FREQUENCY IDENTIFICATION (RFID) INTERGRATION	CSW018-02-01	(145,145)		781,855	Project scope revised to only require an interface with multi-residential collection contractor solution. Budget reallocated to Waste Strategy.
DIVERSION FACILITIES	DUFFERIN SINGLE STREAM SITE REMEDIATION	CSW008-01-05	(141,334)		8,501,666	Future plan for facility awaiting results of Waste Strategy
<b>SUB-TOTAL</b>			<b>(35,251,188)</b>			
LONG TERM STRATEGY	LONG TERM WASTE MANAGEMENT STRATEGY	CSW013		1,104,062	4,767,283	Preliminary implementation of strategy outcomes will require additional funding in 2016
<b>SUB-TOTAL</b>				<b>35,251,188</b>		

**Schedule A – Part B**  
**Solid Waste Management Services 2015 Capital Budget**  
**Reductions due to change of scope and cancellations**

Program	Sub-Project	WBS	2015 Proposed Reduction	Revised Life To Date with Reduction	Comments
DIVERSION SYSTEMS	SSO CONTAINERS SINGLE-FAMILY (1ST GENERATION)	CSW004-32	(1,100,000)	470,000	Reduced demand for 1st generation green bins with transition to new automated green bins
DIVERSION FACILITIES	REUSE CENTRE	CSW011-01-01	(500,000)	14,511,000	Future plans for reuse centres pending completion of Waste Strategy
IT CORPORATE INITIATIVES	STAKEHOLDER-CUSTOMER RELATIONSHIP MANAGEMENT	CSW018-05	(232,000)	993,000	Project deferred awaiting Customer Service Strategy Implementation
DIVERSION SYSTEMS	RECYCLING UPGRADES FOR MULTI-UNITS	CSW004-24	(215,000)	3,621,000	Reduction in need for in-unit containers as program has reached maturity
<b>SUB-TOTAL</b>			<b>(2,047,000)</b>		