



STAFF REPORT ACTION REQUIRED

Waste Transfer Agreement with the Regional Municipality of Peel

Date:	June 2, 2015
To:	Public Works and Infrastructure Committee
From:	General Manager, Solid Waste Management Services
Wards:	All
Reference Number:	P:\2015\Cluster B\SWM\June\010PW (AFS#20729)

SUMMARY

The current contract between the Region of Peel (Peel) and the City of Toronto to transfer Peel non-hazardous municipal waste through the City of Toronto's Disco Transfer Station will expire on December 31, 2015. Peel has requested that the current arrangement be renewed for an additional five years with the option to extend the arrangement for up to five additional one year periods.

The purpose of this report is to obtain City Council approval to enter into a contract with Peel for the transfer of Peel non-hazardous municipal waste through the City of Toronto's Disco Transfer Station for a term of five years ending on December 31, 2020, with the option to extend the agreement on the same terms and conditions for up to five additional one year periods provided that both parties agree in writing to each such extension period. A copy of the draft agreement is included as Attachment 1.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services recommends that:

1. the General Manager, Solid Waste Management Services, be authorized to execute an Agreement with the Region of Peel for the transfer of Region of Peel non-hazardous municipal waste through the Disco Transfer Station on terms and conditions substantially as set out in the draft agreement in Attachment 1, including authority to amend as necessary, and otherwise on terms and conditions satisfactory to the General Manager, Solid Waste Management Services, and in a

form satisfactory to the City Solicitor for a term from January 1, 2016 to December 31, 2020, with optional extensions for up to five one year periods.

Financial Impact

For the period of January 1, 2016 to December 31, 2016, the expected revenue from Peel for the transfer of Peel non-hazardous municipal waste is \$81,450, excluding applicable taxes. Future year Operating Budget submissions will accommodate the estimated cash flow in cost centre SW0805-8510. The estimated total revenue over the base term of this agreement is \$773,100.

The estimated annual revenue during the initial term of the agreement based on the estimated tonnage shown below, and excluding applicable taxes, is as follows:

Year	Rate per Tonne ¹ \$	Estimated Annual Tonnage	Revenue \$
2016	\$16.29	5,000	\$81,450.00
2017	\$16.62	5,000	\$83,100.00
2018	\$16.95	5,000	\$84,750.00
2019	\$17.29	15,000	\$259,350.00
2020	\$17.63	15,000	\$264,450.00
Total		45,000	\$773,100.00

¹The set 2016 rate is \$16.29 per tonne, plus applicable taxes. The contract terms and conditions contain an annual escalation rate based on the Consumer Price Index. For the table above, the annual rate escalation is estimated at 2 percent.

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

DECISION HISTORY

The authority for the previous and existing agreements with Peel can be found in the following reports:

Report No. 2, Clause 7 “Transfer Service Fee Agreement with Region of Peel for Use of Disco Transfer Station” of the Works Committee, was adopted by Toronto City Council at its meeting held on February 13, 14 and 15, 2002, and can be viewed at:
<http://www.toronto.ca/legdocs/2002/agendas/council/cc020213/wks2rpt/cl007.pdf>

Item PW7.17, “Contract Extension for Region of Peel Waste Transfer Agreement”, was adopted by Toronto City Council at its meeting held on July 16, 17, 18 and 19, 2007, and can be viewed at:
<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>

Item PW33.12, “Contract Extension for Region of Peel Waste Transfer Agreement”, was adopted by Toronto City Council at its meeting on June 8 and 9, 2010, and can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.PW33.12>

ISSUE BACKGROUND

Peel requires transfer capacity for non-hazardous municipal waste that cannot be managed at the Peel Integrated Waste Management Facility or at Peel-contracted waste management facilities due to tonnage restrictions. The City of Toronto began providing waste transfer services to Peel under an agreement that commenced on July 12, 2002. This agreement was subsequently extended in 2007 and renewed in 2010. The existing agreement will end on December 31, 2015.

The City of Toronto has existing infrastructure and capacity to provide transfer capacity to Peel. The proximity of the Disco Transfer Station to Peel has provided the City of Toronto with the opportunity to provide this service to Peel.

COMMENTS

The recommended agreement with Peel requires the City of Toronto (the City) to receive non-hazardous municipal waste from Peel at the Disco Transfer Station. The City is responsible for loading the waste onto a tractor trailer provided by Peel. Peel is responsible for all shipping and final disposal of the waste.

The current contract term expires on December 31, 2015. Peel has requested that the current arrangement continue until the end of 2020 with the option to extend the agreement for up to five one year periods under the same terms and conditions. Either party may terminate the agreement at any time during the term by providing a minimum of twelve months’ advance notice in writing.

The recommended agreement limits Peel’s daily tonnage received at the Disco Transfer Station to no more than 350 tonnes per day unless Peel receives prior approval from the City of Toronto. The City of Toronto is not obligated to provide the service if it would result in the Disco Transfer Station exceeding its approved capacity. Peel is not required to provide a minimum tonnage. In addition, the City of Toronto and Peel will mutually indemnify and save harmless its officers, elected officials, contractors, agents, servants and employees.

In exchange for waste transfer services, Peel will pay the City of Toronto \$16.29 per tonne, plus applicable taxes, in 2016. This price will be adjusted annually in accordance with changes in the Consumer Price Index.

A copy of the draft agreement is included as Attachment 1. Peel is authorized to enter into this agreement pursuant to Peel Council Resolution Number 2015-272, considered by Peel Regional Council on April 16, 2015. The Agreement will be finalized once approved by Toronto City Council.

CONTACT

Derek Angove, P. Eng., Director, Processing & Resource Management, Solid Waste Management Services, Telephone: 416-392-2447, Fax: 416-392-3722, Email: DAngove@toronto.ca

SIGNATURE

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

ATTACHMENTS

Attachment 1: Draft Agreement with the Region of Peel