

# **Authority to Negotiate and Enter into Regional Waste Management Co-operation and Contingency Agreements**

**Date:** April 9, 2021

**To:** Infrastructure and Environment Committee

**From:** General Manager, Solid Waste Management Services

**Wards:** All

## **SUMMARY**

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This report seeks the delegated authority for Solid Waste Management Services to negotiate and enter into agreements with Ontario municipalities for emergency and non-emergency use of the City's waste services, where feasible, excluding the use of Green Lane Landfill (GLL). This report also seeks the authority for Solid Waste Management Services to negotiate and enter into residual disposal agreements with Ontario landfills and energy from waste facilities for contingency and operational re-direction capacity.

## **RECOMMENDATIONS**

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The General Manager, Solid Waste Management Services recommends that:

1. City Council authorize the General Manager, Solid Waste Management Services, or their designate to negotiate and enter into agreements with Ontario municipalities (including their agencies, local boards and corporations), for the City's use of their waste services and their use of the City's waste services where feasible, excluding the use of Green Lane Landfill, at rates that, at a minimum, ensure full cost recovery for the City, and/or a reciprocal tonnage agreement, on other terms and conditions satisfactory to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor.
2. City Council authorize the General Manager, Solid Waste Management Services, or their designate, to negotiate and enter into new residual disposal agreements and/or amending agreements with Ontario landfills and energy from waste facilities to provide for contingency and operational re-direction capacity for terms not to exceed five (5) years, and on terms and conditions satisfactory to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor.

## **FINANCIAL IMPACT**

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There are no net financial implications resulting from this report.

Fees related to the use of City waste services will recover the full cost of providing the service, including direct and indirect costs of operations and maintenance, overhead, and charges for the use of capital assets used to provide the service and do not provide a subsidy to the user of the service. There are currently no estimated tonnages that would drive the application of the new fees, therefore gross expenditures and associated revenues cannot be assessed at this time.

The costs associated with alternate disposal, when needed, will be partially offset by cost savings resulting from the diversion of waste intended for final disposal at Green Lane Landfill. Use of alternate sites for contingency or operational re-direction will also balance fill rates at Green Lane Landfill thereby extending the useful life. Solid Waste Management Services will continue to include funding for alternate disposal.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the zero net financial impacts associated with this proposed initiative.

## **DECISION HISTORY**

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At the meeting of September 30, October 1, 2, 2015, Council adopted Item PW6.9 entitled "Waste Transfer Agreement with the Regional Municipality of Peel" granting the General Manager authority 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. The City and Peel agreed to extend the term of the Agreement for the first of five one-year periods, from December 31, 2020 to December 31, 2021.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.PW6.9>

At the meeting of June 14 and 15, 2011, Council adopted Item PW4.6 entitled "Contract Award: Request for Quotation 6035-11-3030 for the Provision of Contingency Final Disposal Capacity within Ontario" awarding contracts to each of three bidders over a five year period. The City exercised its five year option on the Agreements from September 1, 2016 to August 31, 2021.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.PW4.6>

## **COMMENTS**

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The City of Toronto operates one of the most sophisticated and integrated waste management systems in North America. It manages materials from single family and multi-residential homes as well as some non-residential customers. Waste materials managed include but are not limited to Garbage, Green Bin Organics, Blue Bin

Recycling, Yard Waste, Electronic Waste, and Household Hazard Waste. The existing infrastructure used to manage these materials includes a network of seven transfer stations, four yards, two organics processing facilities, Green Lane Landfill and some contracted processing facilities.

On occasion, Ontario municipalities have approached Solid Waste Management Services seeking transfer and processing capacity for waste materials (e.g. Green Bin Organics, Blue Bin Recycling, Yard Waste and Electronic Waste) that cannot be managed by their own contracts or existing infrastructure. These requests can come in the form of longer term needs as is the case with the "Waste Transfer Agreement with the Regional Municipality of Peel" or shorter contingency needs related to unexpected or planned transfer station and processing facility interruptions.

Solid Waste Management Services will review each request internally, consider operational impacts and Environmental Compliance Approval thresholds within the Solid Waste Management Network before agreeing to provide assistance to Ontario municipalities. Solid Waste Management Services will only contemplate agreements that do not compromise our ability to deliver our core services to the City. Assisting Ontario municipalities during their needs fosters collaboration, which may be reciprocated should the City of Toronto require assistance.

### **Final Waste Disposal Contingency and Re-direction Agreements**

As part of the City's integrated waste management system, the Solid Waste Management Services Division has three agreements with private sector landfills in Ontario for final waste disposal. These agreements are in place in the event that the City cannot for any reason dispose of its waste at its own landfill or may need to re-direct limited quantities of waste as part of its operations. This will help ensure continued operations and mitigates risk in the event of any unforeseen operational disruptions.

In order to provide the best value for the City of Toronto and in consideration of recent outcomes of other operational contract negotiations, Solid Waste Management Services recommends proceeding with direct negotiations in order to secure new or amended extensions to contracts for final waste disposal. Furthermore, Solid Waste Management Services recommends including energy from waste as a final waste disposal option in addition to traditional landfilling as part of the direct negotiations authority when seeking to secure final waste disposal contingency and re-direction capacity.

The Ontario Waste Management Association has forecasted that existing approved Ontario landfills will reach capacity by 2037. The timing is reduced to 2032 if the existing volume of waste currently being disposed of in the United States of America (primarily from the institutional, commercial and industrial sector to New York and Michigan), is managed within the Province. It is important to note that there is also limited landfill capacity located in close proximity to Toronto. Allowing for other final waste disposal options such as energy from waste will help expand options, and facilitate short term contingency and re-direction planning.

### **Next Steps**

Regional Waste Management Co-operation and Contingency Agreements

Solid Waste Management Services is currently undertaking a residual waste disposal planning study that is scheduled for completion at the end of 2021. Medium and long term residual waste disposal options will be brought forward to City Council to present recommendations and next steps.

Complementary to this work, the study on Mixed Waste Processing continues, including further analysis on waste characterization and composition. This will also include development of a business case, including a triple bottom line analysis (environment, social and financial) and a utility rate impact assessment on the mixed waste processing of waste with and without thermal processing compared to increased reduction and diversion and traditional landfilling.

The Solid Waste Management Services budget continues to support and implement actions in the Council approved Long Term Waste Management Strategy, which aspires for the City to reach the goal of zero waste and a circular economy and prioritizes waste reduction, reuse and recycling, and activities that promote resource conservation and reducing environmental impact (such as harnessing renewable gas from Green Bin organics processing). These actions continue to be prioritized together while ensuring that the Solid Waste Program remains a financial, social and environmentally sustainable utility.

## **CONTACT**

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## **SIGNATURE**

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Matt Keliher  
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Solid Waste Management Services