

## **Supplementary Information Regarding GG19.27 - Award of Doc4863856516 to GFL Environmental Inc., for Containerized Multi-Residential Collection of Waste Materials for Solid Waste Management Services**

Date: April 22, 2025

To: City Council

From: Deputy City Manager, Infrastructure & Development Services and Chief  
Financial Officer and Treasurer

Wards: All

### **REASON FOR CONFIDENTIAL INFORMATION**

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This report is about litigation or potential litigation that affects the City of Toronto.

### **SUMMARY**

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During consideration of item GG19.27 Award of Doc4863856516 to GFL Environmental Inc., for Containerized Multi-Residential Collection of Waste Materials for Solid Waste Management Services, at the Council meeting of March 26 and 27, 2025, City Council deferred consideration of the item to the April 23, 24 and 25, 2025, meeting of City Council.

The deferral of the item to the following Council meeting enabled staff to review and report back on information available in the “Value-for-Money Audit: Hazardous Spills” report by the Office of the Auditor General of Ontario in November 2021 (AGO Report), in support of Council's consideration of the proposed contract award.

From a review of the AGO Report, staff learned that the findings were not specific to the environmental performance of any one service provider but rather focused on whether the Ministry of the Environment, Conservation and Parks (MECP) effectively prevents, responds to, and manages hazardous spills that pose threats to human health and the environment.

The AGO Report included information on spill activity for numerous service providers. The City assesses environmental compliance through our award process. This is

achieved through objective criteria that can be easily verified, such as MECP authorization, which was a requirement for this award. Moreover, the RFQ includes environmental accountability measures and enforcement provisions that apply during the contract term.

## **RECOMMENDATIONS**

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The Deputy City Manager, Infrastructure & Development Services and the Chief Financial Officer and Treasurer recommend that:

1. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it pertains to litigation or potential litigation.

## **FINANCIAL IMPACT**

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There is no financial impact resulting from the adoption of this report.

## **DECISION HISTORY**

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At its meeting on March 27, 2024, City Council deferred until the April 23, 24 and 25, 2025, meeting of City Council. <https://secure.toronto.ca/council/agenda-item.do?item=2025.GG19.27>

## **COMMENTS**

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### **Overview**

This supplementary report outlines the measures undertaken by staff through the procurement process to ensure integrity, fairness, transparency, and due diligence in the development and administration of RFQ Doc4863856516.

The scope of work for this RFQ Doc 4863856516 was for containerized waste collection services for the collection, transportation and off-loading services of containerized multi-residential garbage, organic materials, bulky items and durable goods from multi-residential units, non-residential locations, schools, Divisions, Agencies, and Corporations and related facilities as well as the collection, transportation and off-loading of recyclable materials from non-eligible customer types, in the collection areas in the City of Toronto.

During its March 27, 2025, session, Council raised questions regarding environmental records noted in a November 2021 report of the Office of the Auditor General of Ontario

entitled “Value-for-Money Audit: Hazardous Spills” (AGO Report), for spill events that occurred between 2016 to 2020.

This supplementary report outlines how the City's procurement process for this proposed contract award addressed environmental compliance considerations, while also ensuring the following three key lenses were applied to the process:

- Procurement and legal requirements to ensure a fair, open and transparent procurement process;
- Divisional requirements to ensure operational needs were addressed; and
- Factoring overarching Council directions that align with City priorities, such as fair wage or prioritizing Canadian suppliers.

### **Procurement Process**

Several safeguards and features are built into the City's procurement process to ensure public and Council trust in our contract awards, specific to RFQ Doc4863856516, including:

#### *Evaluation Process*

A structured two-stage evaluation was employed.

- Stage 1 involved compliance checks by Purchasing and Materials Management Division (PMMD) and Solid Waste Management Services (SWMS) against mandatory submission requirements
- Stage 2 involved a pricing-based assessment for all compliant bids.

This procurement approach reflected Council's direction to prioritize environmentally responsible services, vendor accountability, and value for money. In order to have a compliant bid, vendors must have approval from the Ontario Ministry of Environment, Conservation and Parks (MECP) to operate. Suppliers must demonstrate compliance with environmental legislation and operational readiness to handle sensitive materials safely and responsibly, as well as a satisfactory Commercial Vehicle Operator Rating (CVOR).

This regulatory check ensured not only compliance with the Environmental Protection Act, but also supported the City's environmental responsibility goals. Suppliers are required to complete and submit detailed forms that confirm Supplier Compliance with the City's Policies and confirmed commitment to the Supplier Code of Conduct and Environmentally Responsible Procurement Policy.

As part of the RFQ, and due diligence process, suppliers must confirm compliance with the City's Policies and Supplier Code of Conduct. They must declare any conflict of interest and or any previous convictions of itself or its Affiliated Persons for collusion, Bid-rigging, price-fixing, bribery, fraud or other similar behaviours or practices prohibited under the Criminal Code, the Competition Act or other applicable law, for which they have not received a pardon.

Suppliers must further confirm that they have read the City's Environmentally Responsible Procurement Policy and confirm that environmentally preferred products/services are being offered., With respect to this RFP process, GFL responded positively to all of these requirements.

### *RFQ Operational Requirements*

The scope of services for this RFQ was developed by SWMS, and supported by PMMD, to reflect operational requirements and needs, including 7-year service, geographic routing, and health and safety standards. This step ensured that only suppliers with proven capacity could qualify for the award.

This RFQ further laid out the following accountability measures:

- Liquidated damages for service failures, including but not limited to:
  - Failure to comply with health and safety requirements;
  - Failure to clean up spills immediately;
  - Failure to notify the designated City Representative immediately after emergency personnel or provide the written report of the accident or spill by 9:00 a.m. the following day;
  - Reoccurring Supplier violations;
  - Failure to have a CVOR rating of "Satisfactory" at the commencement of the Contract; and
  - Failure to notify the City if the Supplier receives notice that its CVOR rating could fall below "Satisfactory" and failure to provide a written plan for improvement within seventy-two (72 hours).
- This contract also includes broader enforcement provisions such as:
  - Service Level Agreements (SLAs) with performance indicators and thresholds for compliance;
  - Holdbacks or deductions on payments tied to service quality or reporting failures;
  - Requirement to submit incident and compliance logs on a regular basis for review;
  - Right to independently verify environmental compliance, including third-party audits;
  - Suspension or disqualification from future work for consistent non-compliance or material breaches;
  - Debriefing and performance review processes to facilitate continuous improvement and accountability; and
  - Escalation measures, including formal warnings, deductions, and potential contract termination.

These accountability measures ensure continued accountability and incentivize contractor adherence to agreed service levels.

## **Hazardous Spill Risks and Office of the Auditor General of Ontario Findings**

The intent of the AGO Report was to evaluate whether the Ministry of the Environment, Conservation and Parks (MECP) effectively prevents, responds to, and manages hazardous spills that pose threats to human health and the environment.

The AGO report included information on spill activity for numerous service providers, including GFL, as well as spills attributed to Toronto Hydro, Toronto Transit Commission and the City of Toronto.

The audit concluded that the Ministry's oversight, data collection, and enforcement strategies have led to environmental risks and financial burdens being placed on taxpayers rather than polluters.

The report made 13 recommendations with 29 action items to strengthen spill prevention, response, enforcement, and public accountability.

### *City's Proposed Contract Award Considerations*

The City assessed environmental compliance as part of this award process. This was achieved through objective criteria that could be easily verified, such as the requirement for Ministry of Environment, Conservation and Parks (MECP) authorization to operate, and compliance with environmental legislation and operational readiness to handle sensitive materials safely and responsibly.

Provisions within the City's RFQ and associated contract also support and address concerns raised in the Auditor General's audit and help ensure ongoing accountability of the supplier. The inclusion of liquidated damages and related enforcement tools—including service-level penalties, reporting obligations, and the right to audit—further strengthens the City's ability to manage service delivery proactively and responsibly.

Legal Services was consulted in the preparation of this report.

## **CONTACT**

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## **SIGNATURE**

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Stephen Conforti  
Chief Financial Officer and Treasurer

Will Johnston  
Deputy City Manager, Infrastructure & Development Services

## **ATTACHMENTS**

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Confidential Attachment 1 - Supplementary Information Regarding GG19.27