

## **Award of Doc4863856516 to GFL Environmental Inc. for Containerized Multi-Residential Collection of Waste Materials for Solid Waste Management Services**

**Date:** February 11, 2025

**To:** General Government Committee

**From:** General Manager, Solid Waste Management Services and Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to advise on the results of the Request for Quotation Doc4863856516 for Containerized Waste Collection Services issued 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 area in the City of Toronto, and to request the authority to enter into an agreement with GFL Environmental Inc., being the lowest Supplier meeting specifications, in the amount of \$136,873,865 net of all applicable taxes and charges (\$139,282,845 net of HST recoveries). This containerized collection contract service award will commence on June 27, 2026 and will end on June 24, 2033.

### **RECOMMENDATIONS**

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The General Manager, Solid Waste Management Services and the Chief Procurement Officer recommend that:

1. City Council in accordance with Section 195-8.5 of Toronto Municipal Code Chapter 195 (Purchasing By-law), authorize the General Manager, Solid Waste Management Services to award and enter into an agreement with GFL Environmental Inc. being the lowest Supplier meeting specifications for Request for Quotations Doc4863856516 for containerized collection, transportation and off-loading of materials in the City of Toronto commencing on June 27, 2026 to June 24, 2033 for a total contract value of \$136,873,865 net of all applicable taxes and charges (\$139,282,845 net of HST

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recoveries) from June 27, 2026 to June 24, 2033, all in accordance with the terms and conditions as set out in the Request for Quotation and any other terms and conditions satisfactory to the General Manager, Solid Waste Management and in a form satisfactory to the City Solicitor.

## **FINANCIAL IMPACT**

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The total potential contract award value is \$136,873,865 net of all applicable taxes and charges and including a contingency allowance of one (1) million dollars per operating year and an estimated 3% CPI rate increase for Operating Years two (2) through to seven (7), and \$154,667,467 including HST. The total potential cost to the City is \$139,282,845, net of HST recoveries.

Sufficient funding will be included in the 2026-2033 Operating Budget Submissions for Solid Waste Management Services in cost centre SW0904, cost elements 4390, 4391, 4392, 4393, 4394 and 4424. Funding details are provided in Table 1.

Table 1: Recommended Containerized Collection Contract - Front-End - net of HST Recoveries (\$'s):

Term	Total (Net of HST Recoveries)
Operating Year 1 - June 27, 2026 to June 26, 2027	\$18,265,273
Operating Year 2 - June 27, 2027 to June 26, 2028	\$18,782,704
Operating Year 3 - June 27, 2028 to June 26, 2029	\$19,315,657
Operating Yeas 4 - June 27, 2029 to June 26, 2030	\$19,864,598
Operating Year 5 - June 27, 2030 to June 26, 2031	\$20,430,008
Operating Year 6 - June 27, 2031 to June 26, 2032	\$21,012,381
Operating Year 7 - June 27, 2032 to June 24, 2033	\$21,612,224
Total	\$139,282,845

Solid Waste Management Services has included a contingency of one (1) million dollars per operating year, excluding all taxes, for emergencies or other unplanned/unforeseen work (e.g. household flood debris collection) that may be required in each of the operating years in the contract term.

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The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the financial impact section.

## **DECISION HISTORY**

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At its meeting on September 30, 2020, City Council adopted IE15.4 entitled "Transition of Toronto's Blue Box Program to Extended Producer Responsibility". Amongst other directions, City Council authorized the General Manager, Solid Waste Management Services or designate to negotiate and enter into any new agreements or amending agreements (including but not limited to amending agreements to receive external funding) necessary for the City's continued waste diversion operations until the latter of December 31, 2026 or the transition period end date indicated by the Resource Recovery and Circular Economy Act, 2016, or the Waste Diversion Transition Act, 2016, or any regulations thereunder, on terms satisfactory to the General Manager, Solid Waste Management Services and each in a form satisfactory to the City Solicitor and conditional on approved funding.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.IE15.4>

At its meeting on July 16, 17 and 18, 2019 Toronto City Council adopted IE6.8 entitled "Vision Zero 2.0 - Road Safety Plan Update" in which City Council endorsed in principle the Vision Zero 2.0 plan. Amongst other directions, City Council authorized the General Manager, Solid Waste Management Services to implement vehicle side guards and to further the current video-based telematics technology to improve road safety by authorizing the General Manager, Solid Waste Management Services to negotiate, and enter into, and execute any and all agreements and amending agreements necessary, subject to available funding, to implement a fleet safety and accountability program for all new and existing, in-house and contracted out vehicles, and authorizing 360 degree external and all in-cab video telematics technology to support road safety and quality service, and that City Council request the General Manager, Solid Waste Management Services to incorporate the requirement of similar technologies for any future outsourcing of collection services;

The City Council Decision document can be viewed at:

<https://secure.toronto.ca/council/agenda-item.do?item=2019.IE6.8>

At its meeting on June 18, 2019, Toronto City Council adopted IE5.10 entitled "Management of Solid Waste contracts under Transition to a Full Extended Producer Responsibility Model" (Item) and recommendations in Confidential Attachment 1 to the report. Council authorized the General Manager, Solid Waste Management Services and/or designate to negotiate and enter into any new agreements or amending agreements (including but not limited to amending agreements to receive external funding) necessary for the City's continued waste diversion operations throughout the transition period under the Waste Diversion Transition Act, 2016, based in part on the recommendations on pricing set out in the Confidential Attachment 1 to the report (May

15, 2019) from General Manager, Solid Waste Management Services and each in a form satisfactory to the City Solicitor .

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.IE5.10>

## COMMENTS

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The area covered by the Request for Quotations includes approximately 3,217 locations and is made up of varied collection environments, primarily of urban and suburban sections and areas which require special consideration (e.g., one-way streets, street parking, school zones, commuter road restrictions, laneways and narrow roadways). Currently, containerized multi-residential collection receives contracted collection services for the collection of garbage, recycling, organic materials, bulky items and yard waste. Effective as part of this Request for Quotations, the collection of recycling materials will be provided to non-eligible customers (Charities, Institutions and Religious Organizations (CIROs), Divisions, Agencies and Corporations (DACs), namely customers that are described in Ontario Regulation 391/21 - Blue Box as not eligible to receive the collection of recycling materials as part of the transition of the City of Toronto's Blue Bin Recycling Program to producers.

Request for Quotations Doc4863856516 includes the requirement for external 360-degree camera systems and side guards as part of the fleet safety and accountability program as directed by Council, and in alignment with the City's Vision Zero initiative.

### Procurement Process

The Request for Quotations Doc4863856516 for the collection, transportation and off-loading of materials from containerized multi-residential locations across the City of Toronto was issued by Purchasing and Materials Management Division and was advertised on both the City's and Ariba Discovery websites on November 9, 2024 with a closing date of December 11, 2024 and an issuance of two (2) Addenda. A total of two (2) bid submissions were received, which are summarized in Table 2 below:

**Table 2: Summary of Bids Received including Bid Price**

Supplier Name	Bid Price Excluding HST and Contingency
*Environment 360 Solutions Ltd.	\$16,195,333.83
GFL Environmental Inc.	\$16,949,364.56**

\*Supplier was found non-compliant with mandatory requirements

\*\*Pursuant to the Request for Quotations document, the contract award value includes contingency.

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## **Contract Award**

GFL Environmental Inc. is the lowest Supplier meeting the requirements as set out in Request for Quotations Doc4863856516, which included: having completed a minimum of two (2) projects each within the last ten (10) years of the closing date of this Request for Quotations and having successfully completed at least five (5) consecutive years of the contract term, and must currently be, or have previously served as, the sole provider of municipal Multi-Residential Containerized Front-end Collection and/or Containerized Front-end Industrial, Commercial & Institutional (ICI) Collection Services.

Other requirements included providing a list of key personnel consisting of at least one (1) Operations Manager with a minimum of five (5) years managing multi-residential/ICI front-end containerized collection within the past ten (10) years, and a Commercial Vehicle Operator Rating (CVOR) of "Satisfactory."

The provision that no collection vehicle will be over seven (7) years old at any point during the contract requires the Supplier to have to amortize their vehicles over the length of the contract and ensure that equipment operating under the contract is in good mechanical and physical condition.

The award of the contract is time sensitive to allow appropriate lead time for the recommended Supplier to acquire vehicles and prepare for the start-up on June 27, 2026.

The Fair Wage Office has reported that the recommended supplier has indicated it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully with both.

## **Contract Start Date**

The new contract with GFL Environmental Inc. will commence on June 27, 2026 and expire on June 24, 2033.

## **Service Impacts**

GFL Environmental Inc. is the incumbent supplier currently providing containerized multi-residential collection services to multi-residential units, non-residential locations, schools, Divisions, Agencies, and Corporations (DACs) and related facilities. It is anticipated that these locations will not experience any change in service levels or standards when the new contract with GFL Environmental Inc., commences on June 27, 2026.

## **CONTACT**

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## **SIGNATURE**

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Matt Keliher  
General Manager, Solid Waste Management Services

Geneviève Sharkey, Chief Procurement Officer