

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 2
OF THE REGIONAL
SOLID WASTE STRATEGY COMMITTEE
MEETING HELD ON MARCH 1, 2000**

**For Consideration by
The Council of The Regional Municipality of York
on March 9, 2000**

Chair: Regional Councillor G. Landon

Members: Regional Councillor M. Di Biase
Mayor Wm. F. Bell
Mayor J. Mortson
Regional Councillor D. Wheeler

Others Present: Mayor W. Emmerson

Staff Present: P. Carlyle, J. Flewelling, K. Hill, K. Schipper, D. Selby,
E. Stevenson, A. Wells, L. Wilson

Others Present: B. Lippett, Gartner, Lee Limited, M. Pratt, Earth Tech (Canada) Inc.,
Doug Thomson, Barrister & Solicitor, McCarthy, Tetrault

The Solid Waste Strategy Committee began its meeting at 11:05 a.m. on March 1, 2000.

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AGREEMENT TERM EXTENSIONS SOLID WASTE PROCESSING FACILITIES

The Solid Waste Strategy Committee recommends the adoption of the recommendations contained in the following report, February 16, 2000, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. The Commissioner of Transportation and Works be:
 - 1.1 Authorized to negotiate agreement term extensions with respect to the following solid waste processing facilities:
 - Material Recovery Facility in Georgina operated by Roger LaRue Enterprises Limited.
 - Material Recovery Facility in Markham operated by Miller Waste Systems.
 - Organic Yard Waste Composting Facility in Richmond Hill operated by Miller Waste Systems.
 - 1.2 Directed to report back to the Solid Waste Strategy Committee regarding the results of the negotiations.

2. PURPOSE

The purpose of this report is to obtain authorization to negotiate extensions to the three separate agreements for solid waste processing which are due to terminate on December 31, 2000.

3. BACKGROUND

The Region's solid waste management disposal/diversion strategy calls for a 50 percent diversion rate by the year 2000. As one component of the diversion strategy, Regional Council adopted Clause No. 8 of Report No. 3 of the Transportation and Works Committee on February 12, 1998, directing staff to initiate a Request for Proposals process for a centralized composting facility for household organics. This component is now referred to as the Integrated Solid Waste Processing and Transfer Facility. The provision of long-term disposal capacity to replace the Keele Valley Landfill Site is a separate component of the solid waste management strategy.

4. ANALYSIS

4.1 Establishment of the Integrated Facility

It is intended that the Integrated Facility, in addition to composting household organics, will also process dry recyclable materials and serve as a transfer station for the residual solid waste which requires disposal.

Dry recyclable materials are currently collected through the "blue box" programs of the local municipalities. The Region processes all of these dry recyclable materials (excluding the Town of Newmarket's) through an agreement with Miller Waste Systems for its Material Recovery Facility in Markham and through an agreement with Roger LaRue Enterprises Limited for its Material Recovery Facility in Georgina. The Region also processes the yard waste collected by the local municipalities through an agreement with Miller Waste Systems for its Organic Yard Waste Composting Facility in Richmond Hill. Further details regarding these facilities and associated agreements are provided in the following sections of this report.

The Region's three existing agreements, as described above, each have termination dates of December 31, 2000. The Integrated Facility will not be operational until at least the end of 2002, and this timing is conditional on a problem-free process to establish it. Therefore, it is recommended that the Commissioner of Transportation and Works be authorized to negotiate with the companies to extend the terms of the agreements to at least the end of 2002 with options beyond that date.

4.2 Material Recovery Facility in Georgina

The Material Recovery Facility in Georgina is located at 23082 McCowan Road, just north of Ravenshoe Road. This facility is owned and operated by Roger LaRue Enterprises Limited (LaRue). It is noted that Capital Environmental Resource Inc. acquired part ownership of LaRue's waste management business in 1999.

The agreement with LaRue commenced on January 1, 1997 when the Region assumed the responsibility for processing the Town of Georgina's recyclable materials. The agreement was then amended effective April 6, 1998 to allow the Town of East Gwillimbury to use the facility. These two municipalities delivered approximately 4,200 tonnes of recyclable materials to the facility in 1999.

It is noted that the Town of Newmarket has its own agreement with LaRue for the use of this facility. The Town delivered approximately 4,300 tonnes of recyclable materials there in 1999.

4.3 Material Recovery Facility in Markham

The Material Recovery Facility in Markham is located at 8050 Woodbine Avenue, just south of Highway 7. This facility is operated by Miller Waste Systems (Miller). The company owns the processing equipment, but leases the building.

The agreement with Miller commenced on August 30, 1993 when the Region assumed the responsibility for processing the recyclable materials which are collected by Aurora, East Gwillimbury, King, Markham, Richmond Hill, Vaughan, and Whitchurch-Stouffville. As stated previously, East Gwillimbury changed from this facility to the LaRue facility on April 6, 1998. The six local municipalities currently using the Miller facility delivered approximately 31,000 tonnes of recyclable materials there in 1999.

The original agreement had a termination date of August 31, 1998. However, a renegotiated agreement with a term ending on December 31, 2000 was accepted by Regional Council on February 12, 1998 through the adoption of Clause No. 11 of Report No. 3 of the Transportation and Works Committee.

4.4 Composting Facility in Richmond Hill

The Organic Yard Waste Composting Facility in Richmond Hill is located at 1351 Bloomington Road, just west of Leslie Street. The facility is owned and operated by Miller Waste Systems.

The original agreement with Miller Waste Systems commenced on November 1, 1990 and had a termination date of October 31, 1995. However, a renegotiated agreement with a term ending on December 31, 2000 was accepted by Regional Council on February 9, 1995 through the adoption of Report No. 4 of the Transportation and Environmental Services Committee.

All of the nine local municipalities use the facility and delivered approximately 10,200 tonnes of material to it in 1999. In addition, the facility received approximately 300 tonnes of material from the Region's transfer station in Georgina in 1999.

5. FINANCIAL IMPLICATIONS

The Region charges the local municipalities set processing fees for the use of these facilities. The 2000 budget has been based on processing fees which should be adequate to cover the Region's total costs. If the terms of the agreements with the contractors are extended, then it is anticipated that the Region would continue to set processing fees for the local municipalities each year to allow for full cost recovery.

6. LOCAL MUNICIPAL IMPACT

Regional and local municipal staff meet on a regular basis to review waste management issues. The discussions also include operational aspects of the Region's contracted processing facilities.

Prior to commencing any of the recommended negotiations with the companies, Regional staff would review the operations with the local staff to determine if any adjustments are

required. Any such adjustments could then be discussed with the companies, as part of the negotiations.

7. CONCLUSION

The proposed Integrated Solid Waste Processing and Transfer Facility will not be operational until the end of 2002 at the earliest. The adoption of the recommendations in this report will enable the Region to explore the option of maintaining the status quo with respect to solid waste processing until the Integrated Facility becomes operational.

This report has been reviewed by the Senior Management Group.

2 LONG-TERM SOLID WASTE DISPOSAL PLANNING BUDGET INCREASE FOR CONSULTANT

The Solid Waste Strategy Committee recommends:

- 1. The presentation by Michael Pratt, Earth Tech Canada (Inc.) be received; and**
- 2. The recommendation contained in the following report, February 16, 2000, from the Commissioner of Transportation and Works be adopted:**

1. RECOMMENDATION

It is recommended that:

1. The budget of Earth Tech (Canada) Inc. to provide consulting services with respect to the Region's dual-track approach for long-term solid waste disposal planning be increased by \$77,438 from \$192,418 to \$269,856 (GST included).

2. PURPOSE

The purpose of this report is to seek authorization for an increase in consulting fees for additional work required to plan for and obtain long-term solid waste disposal capacity.

3. BACKGROUND

The Region is using a dual-track approach to plan for and obtain long-term solid waste disposal capacity. In particular, the Region has issued its own Request for Initial Proposals for a York-only solution and it is also participating with the other Greater Toronto Area upper-tier municipalities in a Request for Proposals that was issued by the City of Toronto. The Region will be comparing the results of both processes before deciding on whether to pursue either of these options.

APPENDIX "A"
Report No. 2 of the Solid Waste Strategy Committee

Regional Council previously authorized the retention of Proctor & Redfern Limited, now Earth Tech (Canada) Inc., to provide consulting services with respect to both processes on November 26, 1998 through the adoption of Clause No. 1 of Report No. 1 of the Solid Waste Strategy Committee. The company's Mr. Michael Pratt has made several presentations to the Committee and has been before Council to answer questions throughout the course of this project.

4. ANALYSIS

Regional Council originally approved a budget of \$192,418 for Earth Tech (Canada) Inc. to carry out the project. Additional funds are now required to cover changes in the scope of work as well as additional demands by the Region that were not allowed for in the initial budget.

Table 1 shows the original budget in relation to the required additional funds.

Table 1
Consultant's Budget for the
Dual-Track Approach for Long-Term Solid Waste Disposal Planning
(including 7% GST)

Detail	Cost
Original Fee	\$192,418
Additional Required	77,438
Total	\$269,856

The original budget was based on carrying out the York-only proposal call process in one stage. It was later decided to carry out the process in three consecutive stages as follows:

- Stage 1 – Request for Initial Proposals (RFIP).
- Stage 2 – due diligence reviews and service provision clarification discussions with the top qualified respondents from Stage 1.
- Stage 3 – Request for Final Price Proposals with respect to those top qualified respondents that remain following the completion of Stage 2.

This was a significant change in the scope of work, as the consultant had to prepare two separate proposal call documents for issuance to the respondents (i.e. for Stages 1 and 3, respectively) rather than one all encompassing document as originally proposed. In addition, this approach requires the consultant to carry out the following tasks twice for Stage 1 and Stage 3, respectively:

- Provision of clarifications on the documents to respondents.
- Evaluation of proposals.
- Preparation of reports with respect to the evaluations.

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- Meetings with the proposal evaluation committee.
 - Meetings with the local municipalities and the Region's Solid Waste Management Public Liaison Committee with respect to consultation.

It is also noted that Regional Council has shortlisted the following three respondents to the RFIP to proceed to Stage 2:

- American Ref-Fuel Company of Niagara, L.P.
- Essex-Windsor Solid Waste Authority
- Republic Services of Canada, Inc.

Due diligence tasks will be more onerous with the two USA facilities (i.e. American Ref-Fuel and Republic Services) than with the Ontario facility (i.e. Essex-Windsor), given the risks potentially inherent in the foreign sites and the requirement to understand the approvals processes of two different states (i.e. Michigan and New York). Furthermore, a greater level of effort will be needed to carry out due diligence on an incineration proposal (i.e. American Ref-Fuel) because of the greater level of technical complexity, plus the associated ash management facility must also be examined.

The project is progressing well and Regional staff are of the opinion that it will lead to an acceptable solid waste disposal solution. Therefore, in consideration of the above, it is recommended that the revised budget be approved as summarized in Table 1.

5. FINANCIAL IMPLICATIONS

The 2000 Tax Levy Budget approved by Regional Council includes \$200,000 for consultant fees. These funds are sufficient to cover the required increase.

6. LOCAL MUNICIPAL IMPACT

All of the municipally-collected solid waste from the local municipalities is presently disposed of at the Keele Valley Landfill Site. The estimated closure date for this facility is late 2002. It is intended that the Region's dual-track approach will lead to the confirmation of a long-term disposal solution.

7. CONCLUSION

The adoption of the recommendations in this report will provide Regional staff and Earth Tech (Canada) Inc. with the budget that they require to complete the dual-track approach to plan for and obtain long-term solid waste disposal capacity.

This report has been reviewed by the Senior Management Group.

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UPDATE – COMMITTEE PROCEEDINGS

The Solid Waste Strategy Committee advises Council of the following matters having been considered by the Solid Waste Strategy Committee with the corresponding action as noted:

PRESENTATION

1. Maureen McCauley, Commissioner of Engineering and Public Works, Town of Richmond Hill, and Martin Redfern, Vice-President, Angus Reid Group, made a presentation on the findings of a waste management public opinion research survey recently conducted in the Town of Richmond Hill. Committee received the joint presentation.

COMMUNICATIONS

2. R. J. Douglas, Town Clerk, Town of Richmond Hill, February 9, 2000, forwarding a Town Council resolution adopted at its meeting of February 7, 2000, regarding the results of the Richmond Hill public opinion waste management research survey conducted by the Angus Reid Group. Received.
3. Copy of overhead presentation entitled "Making 50% Diversion Happen" by Mr. Harvey H. Gershman, President of Solid Waste Management Consultants Fairfax, Virginia, at the Solid Waste Association of North America's (SWANA) Recycling and Collection Symposium held on February 14, 2000. Received.

The Solid Waste Strategy Committee adjourned at 12:25 p.m.

Respectfully submitted,

**March 1, 2000
Newmarket, Ontario**

**G. Landon
Chair**

(Report No. 3 of the Solid Waste Strategy Committee was adopted, without amendment, by Regional Council at its meeting on March 9, 2000.)