
REPORT TITLE: **Amendment to Peel's Waste Transfer Agreement with Waste Management of Canada Corporation**

FROM: Kealy Dedman, Commissioner of Public Works

RECOMMENDATION

That the Region of Peel's Waste Transfer Agreement (2012-225N) with Waste Management of Canada Corporation be amended to add the Mississauga (Danville) transfer station, at an estimated annual cost of \$680,000 for a total annual Contract value of \$2,800,000 (excluding applicable taxes), in accordance with Procurement By-law 30-2018, as amended, as described in the report of the Commissioner of Public Works, listed on the May 19, 2022 Waste Management Strategic Advisory Committee agenda titled "Amendment to Peel's Waste Transfer Agreement with Waste Management of Canada Corporation";

And further, that staff be authorized to increase the quantities where actual tonnages differ from estimates to the limit of the approved budget;

And further, that the Region's Signing Officers or the Commissioner of Public Works be authorized to execute all necessary documents to reflect the amendments required to the Region of Peel's Waste Transfer Agreement (2012-225N) with Waste Management of Canada Corporation for the addition of the Mississauga (Danville) transfer station, all on business terms satisfactory to the Commissioner of Public Works and on legal terms satisfactory to the Regional Solicitor.

REPORT HIGHLIGHTS

- The Region utilizes a network of waste transfer stations to manage the garbage collected in Peel. The network includes a number of third-party transfer stations and Peel's Integrated Waste Management Facility.
- In January 2011, the Region entered into a Waste Transfer Agreement (Contract 2012-225N) with Waste Management of Canada Corporation for transfer services at the Wentworth transfer station. The Agreement has since been amended to include their New Toronto Transfer station. Contract 2012-225N, including the extension options, ends on December 31, 2027.
- In 2018, Waste Management of Canada Corporation purchased the Mississauga (Danville) transfer station from its previous owner, Torcan Waste Management Inc., with whom Peel had a transfer agreement (Contract 2016-141N). At the time, Waste Management of Canada Corporation and the Region agreed to continue to honor Contract 2016-141N until the contract expiry on December 31, 2022.
- Typically, the Mississauga (Danville) transfer station handles a significant portion (approximately 15 percent) of the Region's garbage annually.

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- Staff recommends that the Region's Waste Transfer Agreement (Contract 2012-225N) with Waste Management of Canada Corporation be amended to include the Mississauga (Danville) transfer station, securing the site for the Region's use until December 31, 2027.
 - Overall, the Region will realize a net savings of approximately \$280,000 over the five-year term since the pricing in the Waste Management of Canada Corporation Transfer Agreement is lower than the pricing in the Torcan Transfer Agreement that it is replacing.
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DISCUSSION

1. Background

The Region of Peel utilizes a network of waste transfer stations, both third party facilities and Peel's Integrated Waste Management Facility, to receive the garbage collected within the Region and load it into larger transfer trailers to be hauled to landfill for final disposal.

The Region entered into a Waste Transfer Agreement 2012-225N with Waste Management of Canada Corporation ("WMCC") in January 2011, for transfer services at the Wentworth transfer station. Since that time, the agreement has been amended several times.

The Waste Transfer Agreement (the "Agreement") was first amended on November 1, 2012 under the authority of Council Resolution 2012-411 to extend the term to October 31, 2017, include a tonnage commitment of 160,000 tonnes annually, and provide for the use of the New Toronto Transfer station, also owned and operated by Waste Management of Canada Corporation.

The Agreement was amended a second time, under the authority of Council Resolution 2015-742, to allow leaf and yard waste to be transferred through New Toronto and counting this material towards Peel's 160,000 annual tonnage commitment.

The Agreement was amended a third time under authority of Council Resolution 2016-883 to align with the Waste Management of Canada Corporation Disposal Agreement Committed Tonnage Term ending December 31, 2022. This amendment included an Optional Extension Term for both agreements, for one 5-year period, which the Region exercised extending the Agreements to December 31, 2027. This amendment also reduced the committed transfer tonnage from 160,000 tonnes to 120,000 tonnes annually and a new pricing matrix was introduced which allows for a discounted rate for any tonnes transferred beyond the 120,000 committed tonnage.

In May 2016, the Region entered into a Transfer Agreement (2016-141N) with Torcan Waste Management Inc., for waste transfer services at 6465 Danville Road in the City of Mississauga. Securing this transfer station was advantageous to the Region, as it is situated in a centralized location for the Region's collection contractors and has extended hours for receiving during the week and on weekends. The Agreement's contract term ends December 31, 2022, with no option for extension.

In 2018, Waste Management of Canada Corporation purchased the property, and it is now known as the Mississauga (Danville) transfer station. Upon WMCC's acquisition of the

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facility, the Region and WMCC agreed to honor the existing Torcan Transfer Agreement until the term expires and also agreed to include the tonnage transferred through the Torcan (Mississauga) facility towards the 120,000 committed tonnage under the 2012-225N Agreement.

2. Proposed Waste Transfer Agreement Amendment

In 2021, the Mississauga (Danville) transfer station handled approximately 15 percent of the Region's garbage. The site remains a valuable transfer station location that handles a significant amount of waste within the Region's network of transfer facilities and has hours of operation that allow for extended waste delivery on weekdays and weekends. Staff therefore recommends adding the Mississauga (Danville) transfer station to the existing Waste Management of Canada Corporation Waste Transfer Agreement 2012-225N through an amendment.

Through this amendment, the Region would secure the use of the site for the next five years (from 2023 to 2027) under the same terms and conditions and pricing that apply to both Wentworth and New Toronto transfer stations, except for the hours of operation which will remain extended during the weekdays and include weekends.

Waste Management of Canada Corporation agrees with the proposed amending agreement.

RISK CONSIDERATIONS

Amending the current Agreement with Waste Management of Canada Corporation to include the Mississauga (Danville) transfer station would ensure the Region continues to have operational flexibility for managing waste with minimal risk to the Region.

FINANCIAL IMPLICATIONS

It is estimated that adding the Mississauga (Danville) transfer station to the existing Waste Management of Canada Corporation Waste Transfer Agreement 2012-225N will save the Region approximately \$280,000 over the five-year term, as the Region can take advantage of the cost per tonne and the discounted rate after the committed tonnage has been realized on the tonnes transferred through the Mississauga (Danville) transfer station.

The addition of the Mississauga (Danville) transfer station to the Waste Management of Canada Corporation Transfer Agreement would increase the annual Contract amount by \$680,000, for a total estimated annual cost of \$2.8 million, under this specific Agreement.

Overall, the Region will realize a net savings of approximately \$280,000 over the five-year term since the pricing in the Waste Management of Canada Corporation Transfer Agreement is lower than the pricing in the Torcan Transfer Agreement that it is replacing.

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CONCLUSION

The Region of Peel's existing transfer agreement for the Mississauga (Danville) transfer station is ending on December 31, 2022, with no options for extension. Staff recommends the Transfer Agreement with Waste Management of Canada Corporation be amended to add the Mississauga (Danville) transfer station to the current contract which will result in the Region securing transfer capacity at Danville for an additional five years based on the Contract term of the Waste Management of Canada Corporation Transfer Agreement.

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