

November 25, 2013

Report To: Mayor & Council

From: Doug Brown, Manager Operations & Facilities

SUBJECT: Execution of Funding Agreement with Stewardship Ontario for Upgrades (Installation of two Compactor Units and 4- 40 cubic yard roll off containers) to the Blue Box Transfer Station/Drop-off Recycling Facility



Background

In April of 2013, the Town submitted an Request for Expression of Interest (REIO) application under the Stewardship Ontario Continuous Improvement Fund (CIF) for the installation of 2 new stationary compactor units c/w properly sized hoppers and 4-40 cubic yard roll off containers. The total project cost was estimated at \$ 218,275.20 where the town requested 75% or \$ 163,706.40 in funding. The Town was notified by Linda Franz of CIF administration on October 31, 2013 that Stewardship Ontario approved 44% of project costs up to a maximum of \$ 117,700. The Town's portion (\$ 100,575.20) of the project could be possibly funded from utilizing a portion of the 2013 Federal Gas Tax (FGT) revenue, which was previously assigned for the 2nd/Mowat Avenue Road Reconstruction project. The Town received an additional \$ 424,000 in funding under the MIII capital funding program thus some FGT funding revenue is available for such a project. The upgrades to the Town' transfer station/drop-off depot facility are eligible under the Federal Gas Tax revenue arrangement.

Once the new compaction equipment is installed and fully operational the following operational changes will occur;

- 1) The 4 – 8 cubic yards drop-off bins will be taken out of service
- 2) Blue Box Recyclables will not be stored in the existing storage building
- 3) The Manpower & equipment (loader) utilized to load the walking floor trailers and emptying the 4 drop-off bins on a regular basis will be distributed to other more meaningful maintenance tasks such as winter control activities or adjusting catchbasins.
- 4) No longer required to use walking floor trailer trucks thus will convert to roll off container trucks capable of hauling two 40 cu. yard containers at one time.
- 5) A forecasted cost saving of \$ 63,588 should be realized.

At this time, Council is required to execute the funding agreements with Stewardship Ontario under the Continuous Improvement Fund (CIF)

The Operations & Facilities Executive Committee recommends the following;

- 1) That the Mayor and Clerk be authorized to execute the funding agreements with the Stewardship under the Continuous Improvement Fund (CIF).
- 2) That the Town portion's of the project be funded by utilizing a portion of Federal Gas Tax revenue which was previously assigned to the 2013 2nd/Mowat Avenue Road Reconstruction project.

Respectfully submitted,
Operations & Facilities Division

Doug Brown

Doug Brown, P. Eng.
Manager Operations & Facilities

RECOMMENDED

DEC 04 2013
DIV. MNG.

EXECUTIVE COMM.

Doug B.
R. Wiedersheim

Council approval of this report will ensure the following:

- 1) That the Mayor and Clerk be authorized to execute the funding agreements with the Stewardship Ontario under the Continuous Improvement Fund (CIF).
- 2) That the Town portion's of the project be funded by utilizing a portion of Federal Gas Tax revenue which was previously assigned to the 2013 2nd/Mowat Avenue Road Reconstruction project.

CIF Project Number 814.3 – Compactor Units & Bins

DATE: November 27, 2013

TO: Town of Fort Frances (the “Recipient”)

WHEREAS:

- A. Waste Diversion Ontario, a corporation incorporated by the *Waste Diversion Act*, 2002 (Ontario) (“WDO”), maintains a fund known as the Continuous Improvement Fund, that funds improvements in recycling practices by Ontario municipalities, comprised of a portion of the fees paid to municipalities by stewards under the Blue Box Program Plan,.
- B. The Continuous Improvement Fund (“CIF”) is a committee of Waste Diversion Ontario, and has been established through an agreement among the Associations of Municipalities of Ontario, the City of Toronto, Stewardship Ontario and WDO under the Blue Box Program Plan.
- C. Stewardship Ontario, a corporation continued under the *Waste Diversion Act*, 2002 (Ontario), acts as custodian of the CIF monies is to provide funding to the Recipient.
- D. The Recipient made an application to the CIF for a grant to assist in the cost of their project entitled: Compactor Units & Bins (the “Project”). A copy of this application is attached hereto as Schedule “A” (the “Application”).
- E. The CIF has agreed to provide the grant to the Recipient to assist in financing the cost of the Project as set out below:

1. **Grant**

Based on the Application, WDO and Stewardship Ontario hereby agree to provide a grant from the CIF to the Recipient in the aggregate amount of 44% of the blue box related Project costs up to a maximum of \$117,700, inclusive of any applicable taxes, government levies or governmental imposts of any kind (the “Grant”), to be applied by the Recipient toward the cost of the Project.

The Project shall be carried out by the Recipient in consultation with the CIF Managing Director. The Recipient shall devote a sufficient amount of staff time and other resources to carry out the Project in accordance with the timelines, budget and other contingencies set out in the appendices hereto. The Recipient shall act in accordance with any policy established by the CIF related to the completion of project grants.

2. **Budget**

The Grant is based upon the budget for the development and implementation of the Project set out in Schedule "B" hereto.

3. **Disbursement of Grant**

The Grant will be disbursed by the CIF to the Recipient as the Project progresses, in accordance with the schedule set out in Schedule "C" hereto. The Recipient shall make a written request to the CIF for each disbursement of a portion of the Grant not less than thirty (30) days prior to the proposed disbursement date and will provide such documentation, to substantiate any such request, as the CIF may reasonably require. Disbursement requests are to be addressed to the CIF Managing Director at the address noted below. Satisfactory completion of the Project report and final disbursement shall be at the sole discretion of the CIF acting reasonably.

4. **No Transfer or Encumbrance of the Project**

The Recipient shall not sell, assign or transfer the Project to a third party nor mortgage, charge or otherwise encumber the Project without the prior written approval of the CIF or repayment of the Grant.

5. **Repayment of Grant**

In the event of any material breach by the Recipient of the terms of the Application or this Agreement which is not remedied within thirty (30) days following written notice by the CIF to the Recipient or any failure by the Recipient to carry out the Project in accordance with the timetable set out in the Application or in this Agreement (subject to any delay which may be acceptable to Waste Diversion Ontario acting reasonably), the Recipient shall repay all amounts received on account of the Grant and WDO and Stewardship Ontario shall be relieved of any obligation to disburse any remaining unutilised portions of the Grant.

6. **Notices**

All notices, requests, demands or other communications (collectively "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or registered mail (postage prepaid), by facsimile transmission, or by email to such other party as follows:

Waste Diversion Ontario
4711 Yonge Street, Suite 1102
Toronto, ON M2N 6K8
Attention: Michael Scott, Chief Executive Officer
Tel: (416) 226-5113 Fax: (416) 226-1368 Email: michaelscott@wdo.ca

With a copy to:

Continuous Improvement Fund
92 Caplan Avenue, Suite 511
Barrie, ON L4N 0Z7
Attention: Mike Birett, Managing Director
Tel: (905) 936-5661 Email: mbirett@wdo.ca

To Stewardship Ontario at:

Stewardship Ontario
1 St. Clair Avenue West, 7th Floor
Toronto, On M4V 1K6
Attention: Lyle Clarke, Executive Vice President
Tel: (416)323-0101 ext. 154 Fax: (416) 323-3185 Email: lclarke@stewardshipontario.ca

To the Recipient at:

Town of Fort Frances
320 Portage Ave.
Fort Frances, ON P9A 3P9
Attention: Doug Brown, P.Eng., Operations & Facilities Manager
Tel: 807-274-9893 Fax: 807-274-7360 Email: dbrown@fort-frances.com

Or at such other address as may be given by any such person to the other Parties hereto in writing from time to time.

7. General

- (a) The Parties recognize the importance of making information about the Project available for public use. The Recipient shall cooperate fully in providing information which is not of a commercially confidential nature on the Project, as requested by the CIF Managing Director, for publication by the CIF on websites, at conferences and in newsletters.
- (b) The Recipient shall, at their own cost, present the results and learnings from their project at a public event organized by the CIF within 12 months of submission of their project report if so requested by the CIF Managing Director. The CIF may elect to provide financial assistance to remote municipalities.
- (c) The Recipient shall recognize and state in an appropriate manner, as approved by the CIF Managing Director, the support offered by CIF, WDO and Stewardship Ontario under this Grant. Unless the Recipient has received written notice to the contrary from the CIF Managing Director, the following shall be incorporated into the reports and other documents produced by the Recipient and any sub-contractor in connection with the Project:

This Project has been delivered with the assistance of the Continuous Improvement Fund, a fund financed by Ontario municipalities and stewards of blue box waste in Ontario. Notwithstanding this support, the views expressed are the views of the author(s), and CIF, Waste Diversion Ontario and Stewardship Ontario accept no responsibility for these views.

- (d) It is understood and agreed that neither WDO nor Stewardship Ontario has any ownership interest in the Project and neither WDO nor Stewardship Ontario has any responsibility for or liability with respect to the operations of the Project.
- (e) There is no relationship of partnership, agency, joint venture or independent contractor between or among WDO, Stewardship Ontario and/or the Recipient and none of them has any right to bind any of the others to any contractual obligation.

DATED this ____ day of _____, 2013

STEWARDSHIP ONTARIO

By: _____
Name: Lyle Clarke
Title: Executive Vice President

*** *** ***

DATED this ____ day of _____, 2013

WASTE DIVERSION ONTARIO

By: _____
Name: Michael Scott
Title: Chief Executive Officer

ACKNOWLEDGEMENT AND AGREEMENT

The undersigned hereby acknowledges and accepts the Grant on the terms set out above. The undersigned further agrees to indemnify and hold WDO and Stewardship Ontario harmless in respect of any losses, costs, claims, damages or expenses incurred by either of them in respect of the funding or operation of the Project.

DATED this ____ day of _____, 2013

Town of Fort Frances

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SCHEDULE "A" APPLICATION FOR GRANT

Request for Expressions of Interest for CIF Funding for Priority Projects – FORM 1(Mandatory)

FORM 1: Applicant General Information

Municipality or Program Name: Town of Fort Frances

Project Contact (name and title): Doug Brown - P. Eng. Operations & Facilities Manager

Mailing Address: 320 Portage Avenue
Fort Frances, Ontario
P9A 3P9

Email Address: dbrown@fort-frances.com

Phone Number: 807-274-9893

Fax Number: 807-274-7360

URL (if applicable): _____

Check which project(s) you are applying for:

<input type="checkbox"/>	FORM 2	Projects Related to MIPC Study
<input checked="" type="checkbox"/>	FORM 3	Projects Achieving Cost Savings
<input type="checkbox"/>	FORM 4	Blue Box Harmonization Projects
<input type="checkbox"/>	FORM 5	Projects Increasing Curbside Collection Capacity
<input type="checkbox"/>	FORM 6	Promotion and Education Projects
<input type="checkbox"/>	FORM 7	Ideas and Requests for the Centre of Excellence Initiatives

Work through the Form(s) to fill in as many details as you can. **Contact a CIF staff member, as needed to complete remaining portions.** Be sure to review the Form(s) and that you have filled in every field not marked as "Optional" and that all information is complete and correct. Please check which (if any) supporting documentation is attached to this submission that will help describe or support your project.

Please note that projects are expected to be completed within the timelines stated in your application form(s). CIF reserves the right to terminate projects and cease funding for projects not completed on time.

Supporting documentation attached:

- | | |
|---|---|
| <input type="checkbox"/> Collection records | <input checked="" type="checkbox"/> Staff reports (to Council, etc.) |
| <input type="checkbox"/> Processing records | <input type="checkbox"/> Council resolutions |
| <input type="checkbox"/> Contracts or agreements | <input checked="" type="checkbox"/> Other - please specify
CIF Project No. 110 - Improvement |
| <input checked="" type="checkbox"/> Waste Management planning documents | Other - please specify
ENL Drawing A1-10027-G1 showing |

Dated at April, 23, 2013
(Month) (Day) (Year)

I/We have the authority to bind the
Corporation

Doug Brown
(Project Contact)


(Signature of Authorized Signing Officer)

Mayor, Roy Avis & Clerk, Glenn Treftlin
(Position of Authorized Signing Officer)

FORM 3: Projects Achieving Cost Savings

Work through the Form to fill in as many details as you can. Contact a CIF staff member, as needed to complete remaining portions.

Section 1 – Form 3 Details

1. Is this project:

- ☒ A new submission in response to the 2013 REOI?
☐ An updated 2011 REOI submission?
☐ A 2011 REOI submission with no updates?

2. Project Description: What are the key features of the project? (Tip: Add your initial thoughts, then complete the remainder of the Form, and come back to finish this response.)

The present single stream drop-off recyclables depot (24 hours service) has 4 - 8 cubic yards bins which are full every day of the week (5 days/ week) and must be emptied usually 2x a day on week days in the morning 7:45 & 3:30 prior to quitting time. The depot is open on all weekends including long statutory holiday weekends thus every Monday or Tuesday morning since Jan of 2011, the 4 bins are overflowing with recyclables left on the roadway and beside the bins. It takes 2 labourers & 1 loader operator between 1.0 to 2 hours to clean-up the overflow recyclables every Monday or Tuesday morning to get the depot back in service. See attached pictures. This process is very time consuming and ties up staff from performing other duties. Recently due to financial restraints, Council eliminated a lift position in the PW area, thus reducing the available manpower to operate the transfer station. The Town is very interested in reviewing the present method of handling/ loading/ transferring BB recyclables from the Transfer Station/Drop-off depot site to the Winnipeg MRF via walking floor trailers as it is very labour intensive and very costly. In 2012 the costs was \$ 367.85 per tonne due to the inefficient way the BB recyclables are handled. Based on a preliminary review it makes sense to install two compactor bins c/w 4- 40 cu. yard roll off containers at the transfer station. Also a closed circuit security camera will be installed to ensure only blue box recyclables are being disposed in the compactor bins. The project would be completed in two stages; detail cost analysis/design in 2013 with implementation in 2014.

3. Which element(s) of your recycling program does this project address?

- | | |
|--|--|
| <input type="checkbox"/> Enhanced Communication | <input checked="" type="checkbox"/> Technology/Capital Efforts |
| <input checked="" type="checkbox"/> Best Practices | <input type="checkbox"/> Hard-to-Market/New Materials |
| <input checked="" type="checkbox"/> Innovation | <input type="checkbox"/> Other (please specify): |

Section 2 – Blue Box Program Costs & Cost-Effectiveness

When this project is fully implemented (i.e. completely operational), how will it affect your blue box program costs and costs per tonne?

1. How will this project save your municipality money on an annual or amortized basis? Please attach a copy of the draft budget showing both capital and operating impacts over the planning period.

By installing two new stationary compactor bins complete with 4-40 cubic yard roll off containers and utilizing a roll off container truck capable of hauling 2-40 cubic yards roll off containers to the Winnipeg MRF there will be a positive financial impact on the on-going operating costs. The present monthly operating costs of \$ 8,899 will be reduced to \$3600 per month or a saving of \$ 5,299 per month or \$ 63,588 per year. As there will be no labour and front-end loader to empty the depot stationary compactor bins and to load the top loaded walking floor trailers in the future. Also the fact the haulage rate to haul BB recyclables to the Winnipeg MRF will be reduced to approximately a \$ 100 per hour. Based on a 12 hours per round trip to the MRF and 3 loads per month it is estimated that it will cost \$ 43,200 per year compared to \$ 65,976.64.

2. How will you monitor and measure project effects on your program's cost-effectiveness?

The Town has been monitoring the on-going operating costs since January of 2011, thus a bench mark on how many man-hours and equipment hours are required to operate the Blue Box Transfer Station/drop off depot site is well documented. Once the two compactor bins c/w 40 cubic yard roll off containers are installed there will be an immediate reduction in on-going operating costs as there will be no labour or equipment hours requirements.

Additional comments:

Fort Frances benefited by using walking floor trailers in 2012. As Feb. 13, 2013 the local pulp mill lay off 240 employees and idled the kraft mill and 2 paper machines indefinitely. As a result our hauler is not bringing wood chips from the Winnipeg area to the mill and can't provide a reduced rate for back hauling our BB to MRF. Increase costs projected in 2013.

Section 3 – Blue Box Diversion

What effect will this project have on your program's overall blue box diversion (i.e. tonnes of blue box materials sent to market)?

1. Describe any potential implications that this project will have on overall blue box diversion for your program and neighbouring programs (if applicable).

In accordance with the Town's residential BB waste recycling strategy completed in the December of 2010, the short term (3 to 5 years) BB diversion objective was set at 20% compared to the 2009 actual diversion rate of 14.4%. In 2012 the Town diverted 528.14 T of BB materials where the Town has achieved the diversion objective in less than 2 years. Fort Frances is the largest community in the Rainy River District and is considered a regional destination. As a result citizens from other communities could possibly drop off their blue box recyclables when coming to Fort Frances without any additional operating costs other than hauling the containers to MRF if compactor bins c/w roll off containers are installed.

Section 4 – Program Improvements and Regionalization Benefits

What other effects will this project have on your program or on other communities? Use this section to describe whether you plan to work with other communities to develop and deliver the project, how the costs/savings might compare with other similar undertakings.

1. Will the proposed project (please select all that apply):

- ☒ Help your program adapt to changes in the material mix (i.e. manage seasonal variations, prepare for future materials)?
- ☒ Process new materials?
- ☒ Be transferable to other communities?
- ☐ None of the above

2. What other effects will this project have?

Will greatly reduce the on-going operating costs to provide a 24 hour a day-7 day per week-52 weeks per year depot for blue box recyclables.

3. Will you work with other municipalities/partners to develop and deliver this project?

- ☒ Yes ☐ No

If no, please explain why not:

If yes, what municipalities will you work with and how will they benefit?

The Town would gladly offer access to our transfer station/drop-off depot system facility. The Town would entertain a cost recovery user pay system with our neighbouring communities.

4. How do you plan to share costs or savings with partner municipalities?

Presently Fort Frances is the largest community (approximately a population of 8000) in the Rainy River District and is surrounded with 16 municipalities or 1st nation communities with a population less than 5000 within one hour driving distance from the existing depot/transfer station.

In March of 2011, the Town contacted these communities to determine if there was any interest in utilizing the transfer station to enhance recycling services for their communities. Most communities were interested in enhancing recycling services, but once the costs were explained to them no communities were interested. As of April 1st, 2013 the Ministry of Natural Resources(MNR) as a result of closing the MNR landfill site which serviced the community of Mine Center is dropping off BB recyclables at our transfer station. The Town signed a ten-year agreement with the MNR.

5. What stage are you at in planning your work with other municipalities? Please select your choice below to respond.

- ☐ preliminary discussions ☐ awaiting council approval
☐ draft agreement ☐ agreement in place
☒ other: see information below

Additional comments:

It might be difficult to attract other communities in the Rainy River District to participate in such a recycling project as none are mandated to recycle under Ontario Regulation 101/94.

Section 5 - Project Costs and Payback Period

How much will it cost to implement the project and how long is its expected payback period?

1. What is the total cost of completing the proposed project? \$ 218,275.20
2. What is the total funding request to CIF? 75% or \$ 163,706.40
3. What is the project payback period for CIF support (in years)? Preliminary Calculations is 2.57 years

Additional comments:

The Town will provide in-kind services (labour and equipment) to complete the civic works to construct the foundation for the stationary compactor bins c/w 40 cubic yard roll off containers.

Section 6 - Project Management and Implementation

In this section, provide as much information as you can about project management, timing and monitoring.

1. Please identify staff and consultants who will be responsible for this project.

Project Manager

Name: Doug Brown P. Eng

Title: Operations & Facilities Manager

Affiliation: Town of Fort Frances

Role in project: project management, inspection & design

Related experience: greater than 27 years managing/designing municipal infrastructure projects

2. Additional project team members: please identify key staff/consultants, their roles and related experience (optional).

Efficient Waste Management has agreed to partner with the town directly on this project, through to fruition.

3. Project Timing: Upon project approval, how soon can this project be ready to start-up? Please select your choice below to respond.

- ☐ Budget approved by council & project underway
☐ Budget approved by council; project not yet started
☒ Awaiting budget and/or council approval
☒ Other, please describe: installation scheduled for the spring of 2014 once funding is secured

4. How many months will it take to complete the proposed project from start to finish? 3 months

Additional comments:

Spreadsheet outlining the capital costs, simple payback, CIF support payback.

Spreadsheet showing annual Blue Box recyclables diverted from 2003 to 2012

Spreadsheet showing 2012 Trips of Blue Box recyclables to MRF each day of month, total per month and average weight per load.

Spreadsheet outlining 2013 Trips of Blue Box recyclables to MRF each day of month, total per month and average weight per load.

SCHEDULE "B" BUDGET

April, 2013 - Proposed Upgrades to Fort Frances Transfer Station/Drop-off Depot

	Components	Items	Unit Cost
A	Curbside Collection Truck Access Stationary Compactor	Larger Hopper for Rear loading truck	
		4 yard Stationary Compactor	
		Computer Software Package	\$ 75,000.00
		2-40 cubic yard roll off containers	
B	Public Access Stationary Compactor	Larger Hopper for Public Drop off	\$ 60,000.00
		3 yard Stationary Compactor	
		2-40 cubic yard roll off containers	
D	Shipping Equipment to Fort Frances		\$ 15,000.00
E	Foundation for Stationary Compactor and roll off containers	preparation of subgrade	\$ 25,000.00
		concrete work	
		trenching for electrical conductors	
		adjustment of loading ramp grade	
F	Installation of 3 phase electrical service for Stationary Compactors	upgrade existing transformers	\$ 15,000.00
		100 ampere service 120/208 volts	
		hydro meter base	
		new pole	
		electrical conductor	
G	Installation of Close Circuit Security Camera		\$ 5,000.00
H		Subtotal	\$ 195,000.00
I		Town's portion of HST	\$ 3,432.00
J		Total	\$ 198,432.00
K		Contingency Allowance 10%	\$ 19,843.20
L		Total	\$ 218,275.20

simple payback

Total Costs / Total Saving

Total Costs	\$218,275.20		
Total Saving per year	\$63,588	3.43	years
Project payback for CIF support	\$163,706.40	2.57	years
	\$63,588		

SCHEDULE "C"
DISBURSEMENT OF GRANT

The Grant will be disbursed as follows upon compliance with the contingencies outlined in your funding award, i.e.:

- Fort Frances entering into discussions with Sioux Narrows-Nestor Falls to investigate developing an arrangement with them for the handling of their residential Blue Box materials.
- The completion and submission of a monitoring and measurement plan.

Milestones	Tasks / Description	Anticipated Completion Date	Grant Contribution (includes 1.76% non-recoverable taxes)
1 – Monitoring & Measurement Plan	Submission of a Monitoring & Measurement Plan. Please refer to CIF guidance document (attached)	December 20, 2013	
Council Report	Copy of Council report suggesting discussions with Sioux Narrows-Nestor Falls regarding handling of residential Blue Box materials		
2 - Purchase and Delivery	<p>Proof of expenditure for 2 compaction units & 4 - 40 cubic yard compactor bins - Photos demonstrating that the equipment has been delivered to the site and documentation confirming that capital expenditures have been incurred in connection with the purchase of this equipment.</p> <p>Installation of equipment - Complete performance testing - Provide the CIF with confirmation that the equipment commissioning meets the installation and testing specifications outlined by the vendor.</p>	April 15, 2014	44% of project cost up to \$88,275
3 - Final Report (25% of approved funding)	Submission of final report summarizing Project, including performance, impact and learnings.	September 30, 2015	\$29,425
TOTAL GRANT			\$117,700