

STAFF REPORT: Engineering & Public Works Department



REPORT TO: Council
MEETING DATE: January 11, 2010
REPORT NO.: EPW.10.002
SUBJECT: Organics Processing Feasibility Study
PREPARED BY: Adam McMullin, Environmental Initiatives Coordinator

A. Recommendation

THAT Council receive Report EPW.10.002 entitled Organics Processing Feasibility Study; and,

THAT Council approve the proposed 2010 Organics Processing Feasibility Study budget for \$145,700.00;

AND THAT Council approve the award of Composting and Operations Business Case Development to 2cg Inc. for the amount of \$54,915.00, excluding GST.

THAT Council authorize the CAO and Clerk to execute the Agreement for contract services related to TBM 2009-74.

B. Background

The Town is currently conducting an organics processing pilot study as part of an overall long term solid waste diversion plan. The Town is providing curbside organic waste collection for over 500 residents and 100 businesses until February, 2010. The pilot commenced in June 2009. The study was initiated as part of a funding agreement with the Town and the Federation of Canadian Municipalities (FCM), under the Green Municipal Fund (GMF).

In January 2008, Council approved the following recommendation of Staff Report EPW.08.03 "Green Municipal Fund Approval";

THAT Council receive Staff Report EPW.08.03, "Green Municipal Fund Approval" and approve receipt of a grant in the amount of \$253,500.00 after GST rebate, representing 50% of the designated eligible study costs, from the Federation of Canadian Municipalities, being the Trustee of the Green Municipal Fund;

IT BEING NOTED the Town, under the terms of the agreement, will be responsible for contributing 50% of the total eligible study costs, being \$253,500.00 after GST rebate;

The GMF agreement delineates the funding distribution for two projects; the development of an Integrated Community Sustainability Plan (ICSP) and a long term solid waste plan under which the organics collection and processing feasibility study is being conducted.

As part of the agreement the Town is required to provide a detailed study report in the form of a business plan that identifies the most feasible method to provide the collection of organic waste for the community by May 17, 2010.

To ensure the deadline is met, the work must be awarded promptly and cannot be put off until the approval of the overall 2010 budget. Failure to meet deadline may jeopardize the funding agreement with the FCM.

The proposed 2010 budget for the project is \$145,700 with \$60,000 allocated for consultant work. The 2010 proposed project budget is provided as Attachment #1.

Project Description & Scope of Work

The Town requires the services of a consultant for the development of a comprehensive business case that will examine the feasibility of implementing an organics collection and processing program. The business case shall consider, at minimum, four different organics composting operational scenarios. A baseline scenario will be depicted in which the remaining operating scenarios will be evaluated against using a number of considerations including, but not limited to; cost, infrastructure and resource requirements, composting technology, economic and environmental impacts.

The business case shall include the following elements:

- Summary of Study Goals
- Description of Project System
- Financing & Implementation Plan
- Expected Environmental Effects

The business case will include analysis of each operating scenario, and identify a preferred selection – an operating scenario that will provide the most effective way to serve the community while considering the potential economic, environmental and social implications. The project will include, but will not be limited to, the following major tasks:

Task 1: Collect and Review Background Information

Task 2: Define and Characterize Operating Scenarios

Task 3: Evaluate Operating Scenarios

Task 4: Prepare Business Case

Task 5: Final Report Submission & Presentation

Consultant Selection Process

Staff issued a Request for Proposal (RFP) on November 18, 2009 with a closing date of December 12, 2009. Proposals consisting of Detailed Work Plans and Upset Fee Estimates in separate sealed envelopes were received from three consultants.

Consultants were evaluated based on the following weighted evaluation factors:

Quality Factors

Firm's Qualifications and Experience	15%
Project Team's Experience on Similar Projects	15%
Project Understanding and Approach	15%
Work Plan, Methodology and Quality of Proposal	20%
Project Schedule	10%

<u>Fee Factor</u>	25%
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Total	100%
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Proposals were evaluated by the Proposal Evaluation Committee comprised of Adam McMullin, Jeffery Fletcher and Reg Russwurm.

The Consultant achieving the highest combined weighted quality and fee factors was 2cg Inc. and therefore the Proposal Evaluation Committee recommends retaining this firm in the amount of \$54,915.00 consisting of \$49,915.00 upset fee estimate plus \$5,000.00 fee contingency.

The evaluation committee reviewed and evaluated the submissions and recommended that the Town retain 2cg Inc. to provide consultation services for the upset fee of \$54,915.00 to develop a composting and operations business case.

C. The Blue Mountains' Strategic Plan

The curbside organics collection and feasibility study furthers the Town's Strategic Goal #2 "Addressing the Town's municipal infrastructure needs".

D. Environmental Impacts

The study will help improve the waste diversion efforts of the community and extending the life of the landfill. Additionally, the diversion of organic materials will reduce greenhouse gas emissions associated with anaerobic decomposition processes in the landfill environment.

E. Budget Impact

The original capital budget of \$507,000 was approved by Council, with 50% of the funding to be contributed by the GMF and the remaining to be funded by the Town. Within the funding agreement, \$250,000 of the total budget was allocated to conduct the organics collection and processing feasibility study. Including the expenses to date and the anticipated costs for the remainder of the project, the project is not expected to exceed the upset limit of \$250,000.

F. Attached

Attachment #1 Organics Processing Study 2010 Budget Sheet.

Respectfully submitted,

Adam McMullin
Environmental Initiatives Coordinator

Reg Russwurm
Director of Engineering & Public Works

For more information, please contact:
Adam McMullin
amcmullin@thebluemountains.ca
(519) 599-3131 x264



PROPOSED OPERATIONAL PROGRAM FORM

Department: Engineering and Public Works – Solid Waste Division
Proposal: **Organics Processing Feasibility Study**
Year of Initiation: 2009
Year of Completion: 2010
Submission Date: September 23, 2009
Submitted by: Jeffery Fletcher

A Description

Organics Processing Feasibility Study will review the available organic feedstocks. It will be determined if generators of different waste streams are willing to provide these feedstocks and the fee they would be willing to pay. Depending on the amount of material available, the scale and type of facility will be determined through a technology evaluation and a business case plan.

Phase 1 - Pilot Project Initiation
Phase 2 - Pilot Project Operation
Phase 3 - Evaluation of Composting Technologies
Phase 4 - Business Case
Phase 5 - Project Wrap up

B Purpose

Test and design a program for the collection and processing of organic waste (kitchen waste, bio solids, industrial organic waste, imported organic waste, etc.)

C The Blue Mountains' Strategic Plan

The organics processing study falls under the Town's Strategic Action 3.1, to "Green" strategy to "Proactively protect air, water and land features and sites" is in part satisfied by the recommended action and Strategic Action 2.5, to "Develop a waste management strategy to meet diversion targets and address landfill capacity"

D Environmental Impacts

The project will divert waste from landfill and extend the life expectancy of the Town's waste disposal site.

E Expected Staff Resources/Key Personnel

Project Manager: Jeffery Fletcher

Assistant: Adam McMullin

F Expected Operating Project Requirements

YEAR	Consultant	Professional Services	Contract Services	Software Support	Training	Equipment	Interim Financing	Miscellaneous
2010	60,000	40,200	22,500		3,000			20,000
2011								
2012								
2013								
Totals	60,000	40,200	22,500		3,000			20,000
							Total	145,700

G Estimated Project Costing Economic Driver

2 year Contract Position (Adam M.)- \$50,000 (50% covered by FCM funding and remaining covered by Taxation) other half of contract salary in ICSP budget	\$50,000
Phase 1 - Pilot Project Initiation	\$50,000
Phase 2 - Pilot Project Operation	\$70,000
Phase 3 - Evaluation of Composting Technologies	\$20,000
Phase 4 - Business Case	\$45,000
Phase 5 - Project Wrap up	\$15,000
Total Project	\$250,000

H Expected Project Timeline

Phase 2 - Pilot Project Operation	June 2009 – Feb. 2010
Phase 3 - Evaluation of Composting Technologies	Feb. 2010 – April 2010
Phase 4 - Business Case	Feb. 2010 – April 2010
Phase 5 - Project Wrap up	April 2010 – May 2010

I Expected Operational Resource Requirements

Project management, project team participation, consultant submission review.

J Proposed Source of Financing & Funding, (in conjunction with Treasury)

YEAR	Grants, Donations, Developer Contributions	Taxation	User Fees	Municipal Act 326-391	Reserves (Specify Below)	Development Charges	Debt	Other (Specify Below)
2010	65,350	80,350						
2011								
2012								
2013								
Totals	65,350	80,350						
							Total	145,700

Notes to Table:

Green Fund will provide 50% of the cost of the Organics Study with the remaining 50% provided by taxation.

K Anticipated Cost Savings or Additional Revenues

None.

L Location Map

None.

M Attachments

None

Respectfully submitted by,

Jeffery Fletcher, Manager of Solid Waste and Environmental Initiatives