

**DATE:** October 31, 2017

**FILE:** 5380-03

**TO:** Chair and Directors  
Comox Valley Regional District (Comox Strathcona  
Waste Management) Board

**FROM:** Russell Dyson  
Chief Administrative Officer

Supported by Russell Dyson  
Chief Administrative Officer

***R. Dyson***

**RE: Regional Compost Advising Engineer Contract Award**

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### **Purpose**

The purpose of this report is to seek approval from the Comox Valley Regional District (CVRD) Comox Strathcona Waste Management Board (CSWM Board), for the award of a contract for engineering services, for the Comox Strathcona Regional Organics Management facility.

### **Recommendation from the Chief Administrative Officer**

THAT as a result of a competitive process, a contract be awarded to CH2M Hill for Engineering Services for the Comox Strathcona Regional Organics Management facility in an amount not to exceed \$264,055 plus applicable taxes;

AND FURTHER THAT the Chair and Corporate Legislative Officer be authorized to execute the contract.

### **Executive Summary**

In April 2016 a grant application was submitted to the New Building Canada Fund (NBCF), and in May 2017, the Comox Strathcona Waste Management (CSWM) service was awarded a grant of \$5,541,744 for a regional compost facility.

In August, 2017, Engineering Services released a Request For Proposal (RFP) for the project. The scope of work included:

- Collaborate with participating municipalities on organics collection implementation,
- Review and finalize locations for the facility and transfer station,
- Review potential process technologies,
- Establish cost estimates, calculate a required tipping fee and work with municipalities to establish a commitment for feedstock,
- Develop, release and review procurement documents for the design, construction and operation of the Comox Strathcona Regional Organics Management facility.

Upon closing of the RFP, a total of three compliant proposals were received. The highest ranked proposal was from CH2M Hill at an estimated cost of \$264,055 plus applicable taxes.

It is expected that the work covered under this contract will be completed by fall 2018, with construction occurring in 2019. This schedule is concurrent with the NBCF grant agreement for

project completion by March 31, 2020. It is recommended to award a contract to CH2M Hill for the engineering services.

Prepared by:

***C. Makinson***

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Cole Makinson, EIT  
Engineering Analyst

Concurrence:

***G. Bau Baiges***

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Gabriel Bau Baiges, P.Eng  
Manager of Comox Strathcona  
Waste Management Projects

Concurrence:

***M. Rutten***

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Marc Rutten, P.Eng  
General Manager of  
Engineering Services

**Background/Current Situation**

Since June 2013, co-mingled food and yard waste has been collected in the Town of Comox and Village of Cumberland as part of an organics composting pilot project. The pilot facility utilizes the ASP (aerated static piles with Gore Cover system technology) and currently sized to handle 2,500 tonnes of organics annually.

In April 2016, a grant application was submitted to the NBCF, and in May 2017, the CSWM service was awarded a grant of \$5,541,744 for a regional organics facility.

In August of 2017 an RFP was released for engineering services related to the regional organics management facility and closed on October 5, 2017.

Upon closing of the RFP, three compliant proposals were received. Proposals were evaluated against a set of point rated criteria set out in the RFP and as shown below in Table No. 1.

**Table No.1: Point Rated Evaluation Criteria**

<b>Point Rated Criteria</b>	<b>Points Assigned</b>
Demonstrated understanding of the project	15
Proposed methodology	25
Company experience and personnel qualifications	30
Overall cost for provisions of the services	30

The results of the evaluation are provided in Table No. 2 below. The proposal from CH2M Hill is highest ranked and demonstrates a superior understanding of the CVRD's requirements, provides a well thought out process for achieving project objectives and provides a highly qualified team of experienced professionals.

**Table No.2: Ranking of Proposals**

<b>Name of Firm</b>	<b>Ranking</b>
CH2M Hill	1
GHD	2
Tetra Tech	3

**Policy Analysis**

At the April 14, 2016 CSWM board meeting, the following resolution was passed:

*THAT the Comox Valley Regional District (Comox Strathcona waste management) service submit a grant application for the construction of a regional organics facility hosted in Campbell River, under the New Building Canada Fund – Small Communities Fund (NBCF).*

At the June 8, 2017 CSWM board meeting, the following resolution was passed:

*THAT the 2017 to 2021 financial plan for the Comox Strathcona Waste Management service (function 391) be amended to:*

- a) Move the 2018 - 2020 regional organics compost facility project forward to 2017 - 2019 and*
- b) Add Federal Government Condition Transfers in the amounts of:*
  - \$220,000 in 2017*
  - \$3,285,804 in 2018 and*
  - \$2,035,386 in 2019*

*to account for the New Building Canada Fund grant award, and reduce the transfer from capital works reserve funds accordingly*

**Options**

The Board has the following options to consider:

1. Award a contract to CH2M Hill for engineering services related to the Regional Organics Management facility in an amount not to exceed \$264,055 plus applicable taxes;
2. Not to award a contract and seek alternative Board direction.

According to the CVRD’s procurement policy, an RFP was issued for engineering services related to the development of the Regional Organics Management facility, and was conducted in a fair and transparent manner, with the intent to issue a contract. The proposal provided by CH2M Hill was ranked highest out of three proposals and Option 1 above is recommended.

Option 2, not awarding the contract, would put the project behind schedule and could threaten the grant funding agreement which states that the project must be completed by March 31, 2020.

**Financial Factors**

The cost for engineering services related to this contract is \$264,055 and as seen in Table No. 3 below, is contained within the 2017-2021 approved Financial Plan for the regional organics composting project.

**Table No.3:** 2017-2021 CSWM Financial plan for the Regional Organics Composting Project

Item	2017	2018	2019	2020	Total
Total Project cost (\$)	\$430,000	\$5,000,000	\$3,150,000		\$8,580,000

**Legal Factors**

A regional organics facility will need to comply with BC’s Organic Matter Recycling Regulation (OMRR) which specifies requirements for the construction, operation and management of leachate

for composting facilities and the materials they process. Results from monitoring are reported to the BC Ministry of Environment.

As per the grant agreement, the project must be completed by March 31, 2020. The current schedule is to complete required studies and procurement documents by the summer of 2018. Procurement documents will be issued in the fall/winter of 2018 with construction scheduled for 2019 to meet the 2020 deadline.

### **Regional Growth Strategy Implications**

The Comox Strathcona Regional Organics Management facility supports the Regional Growth Strategy (RGS) Objective 5-E: “Reduce regional solid waste and improve landfill performance,” and also will aid in achieving the 70 per cent diversion rate target set out in the current Solid Waste Management Plan and referenced in the RGS.

Increased organics diversion will also support RGS Object 8-C: “Reduce GHG emissions in the solid waste sector.” As food waste decomposes in a landfill anaerobically, it will produce methane (landfill gas a GHG), which is estimated to be 25 times more heat absorptive than carbon dioxide. Diverting organics and composting aerobically eliminates the methane production.

### **Intergovernmental Factors**

Throughout this project, the CVRD will work together with municipalities (City of Courtenay, Town of Comox, Village of Cumberland, and City of Campbell River) for the commitment of feedstock to the facility and for assisting in the implementation of organics diversion at the curbside. The consulting engineer will host a feedstock collection workshop with participating municipalities to provide guidance on future collection solutions.

As part of the scope of work for this contract, the engineer will develop cost estimates prior to establishing an agreement for the commitment of feedstock. This estimate will be used to inform the tipping fee for organics.

The Ministry of Environment will also be involved to ensure that the facility will meet the required OMMR regulations.

### **Interdepartmental Involvement**

The Regional Organics Management facility project will be led by Engineering Services with project support provided by Financial Services for project tendering and contract review, and Corporate Services for future project communications.

### **Citizen/Public Relations**

Working with Corporate Services and the consulting engineer, a communication plan will be developed.

As the project develops, a budget update similar to the Cell 1 and Leachate Treatment Plant will be presented in future board reports.