

DATE: February 6, 2020

FILE: 5380-03

TO: Chair and Directors
Comox Strathcona Waste Management Board

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Regional Organics Compost Project – February 2020

Purpose

To provide the Comox Strathcona Waste Management (CSWM) Board (Board) with an update on the Regional Organics Compost Project (the Project), and to recommend the inclusion of a social procurement option within the Project Request for Proposals (RFP) documents.

Recommendation from the Chief Administrative Officer:

THAT the Comox Strathcona Waste Management Board approve the social procurement concept to include indigenous peoples, apprentices, under-represented populations, small-sized, medium-sized and social enterprises to be implemented as part of the Regional Organics Compost Project construction.

Executive Summary

The Board committed to building the regional organic facility at the Campbell River Waste Management Centre (CRWMC) Block J, at the November 14, 2019 Board meeting. This update summarizes the progress made regarding the processing facility and transfer station procurement processes.

Social Procurement

The CSWM Board has an interest in social procurement options. Staff have reviewed the options available and brought forward a recommendation to include social procurement within the Project based on Board interest. Staff have been working with procurement advisors to create the RFP documents for the Project, which is due to be released as early as mid-February 2020.

Prior to finalizing the terms of the RFP, Board direction is needed regarding the inclusion of social procurement concepts within the procurement process.

A recommended social procurement concept would be to focus on the following groups:

- Indigenous peoples;
- Apprentices;
- Under-represented populations (women, persons with disabilities, veterans, youth, or recent immigrants); and
- Small-sized, medium-sized and social enterprises.

These are the groups the contractor will be required to work with if social procurement is included in the RFP. Comox Valley Regional District staff has previous experience implementing these types of benefits for the Comox Valley Water Treatment Project.

Other options include:

- Look to other approaches to include social procurement concepts in the RFP;
- Not include social procurement in the RFP.

Staff recommends to focus on indigenous peoples, apprentices, under-represented populations, and small-sized, medium-sized and social enterprises.

Competitive selection process summary:

- Stage 1: Request For Qualifications (RFQ) for the processing facility
 - Evaluation based on team experience in design and construction of similar facilities.
 - Select up to three proponents to proceed to the RFP.
- Stage 2: RFP
 - Technologies: active composting system(s) and indoor curing system(s) with odours and nuisance control systems.
 - Compensation for participation: \$15,000 per unsuccessful proponents. Total cost: \$30,000.
 - Staff has engaged qualified and experienced legal and fairness professionals to support the process.
 - The Comox Valley Regional District, as a member of the Coastal Communities Social Procurement Initiative, identified this procurement as an opportunity for social procurement. Social procurement is an additional way that local governments and purchasers can direct resources towards community benefit.

New Building Canada Fund (NBCF) grant scope change

On November 19, 2019, staff submitted a scope change request to the NBCF for siting the facility at Block J, and extending the timeline for substantial completion up to March 2022. The NBCF is reviewing the application and has requested additional information in order to provide a response.

Operational Costs update with the addition of the Organics Infrastructure Program grant:

- The CSWM service has been awarded up to \$909,630 in additional grant funding from the Low Carbon Economy Leadership Fund Organic Infrastructure program.
- Annual operating cost for a regional facility are estimated to be approximately \$1.3M, equating to \$90 per tonne.
- Based on the above, tipping fees for the regional organics program are estimated to range from \$125 to \$155 per tonne, depending on what expenses will be included in the cost recovery model.
- Final tipping fees will be brought to the Board for consideration together with the procurement process recommendation in June 2020.
- CSWM will work closely with municipalities over the next several months to refine these impacts and report back to the Board.

Workshop with municipalities

On January 14, 2020, CSWM staff met with staff from the four participating municipalities to discuss the progress of the Regional Organics Compost Project. The following topics were discussed:

- Feedstock commitment from municipalities - Due to the change in location for the organics processing facility, as well as updated capital and operating cost estimates, participating municipalities will once again be requested to confirm their commitment of feedstock to the facility.
- Full implementation of collection programs - The City of Courtenay and the City of Campbell River supported a phased approach to the full implementation of organic collection programs beginning in early 2022. This can be accommodated within the existing schedule. The participating municipalities in the Comox Valley Waste Management Centre organics pilot project (Town of Comox and the Village of Cumberland) will supply food and yard waste once the Regional Organics Facility is commissioned in the fall of 2021. This feedstock will support the official commissioning period of the new facility.

Public engagement:

- A project webpage has been established at www.cswm.ca/regionalorganics.
- In January 2020, a meeting with adjacent neighbour was held to address groundwater concerns.
- In December 2019, letters were sent to adjacent neighbours, First Nations, municipalities and stakeholders including environmental groups, waste management associations and regulators.
- A news release was issued to announce the siting of the regional organics facility in November 2019.

Next steps with timeline:

- CRWMC Block J and Comox Valley Waste Management Centre site's geotechnical assessment, January 2020.
- CRWMC Block J groundwater assessment, 2020.
- Municipalities' workshop, January 2020.
- Processing facility RFQs, December 2019 to January 2020.
- Public consultation launches in January 2020 with an online survey and open houses at the Maritime Heritage Centre, City of Campbell River, on January 30 and February 5 2020. Input received will help to inform planning and design.
- Feedback from public consultation will be provided to the Board in March 2020.
- RFP's, February to June 2020.
- Commitment from municipalities, prior to May 2020.
- Recommendation of contract awards, June 25 2020.
- Design and permit review, July to November 2020.
- Construction, November 2020 to September 2021.
- Phased in operation, September 2021 to April 2022.

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Stakeholder Distribution (Upon Agenda Publication)

City of Campbell River	✓
City of Courtenay	✓
Town of Comox	✓
Village of Cumberland	✓