

Notice of Meeting and Meeting Agenda Integrated Resource Management Select Committee

Wednesday, November 9, 2016

11:00 AM

625 Fisgard St., 6th Floor Boardroom

DIRECTORS: V. Derman (Chair), K. Williams (Vice Chair), R. Atwell, S. Brice, A. Finall,
L. Helps, M. Hicks, D. Howe, C. Plant, J. Ranns, R. Windsor, B. Desjardins (Board
Chair, ex-officio)

NON-VOTING MEMBER: M. Williams (Chair, Saanich Peninsula Wastewater Commission)

1. Approval of Agenda

2. Adoption of Minutes

- 2.1. [16-1087](#) Approval of the August 10, 2016, Minutes of the Integrated Resource Management Select Committee

Recommendation: That the August 10, 2016, Minutes of the Integrated Resource Management Select Committee be adopted.

Attachments: [2016-08-10 Minutes Integrated Resource Management Select Committee](#)

3. Chair's Remarks

4. Presentations/Delegations

5. Committee Business

- 5.1. [16-1076](#) Advanced Integrated Resource Management Project - Request for Expressions of Interest

Recommendation: That the Integrated Resource Management Select Committee recommend to the Capital Regional District Board:
That the staff report on Advanced Integrated Resource Management Project - Request for Expressions of Interest be received for information.

Attachments: [Staff Report: Advanced IRM Project - RFEOI](#)
[Appendix A: RFEOI Scoping Summary - HDR Consultants](#)

6. New Business

7. Adjournment

Next Meeting: to be determined

To ensure quorum, please advise Nancy More (nmore@crd.bc.ca) if you or your alternate CANNOT attend.

Meeting Minutes

Integrated Resource Management Select Committee

Wednesday, August 10, 2016

9:30 AM

625 Fisgard St., 6th Floor Boardroom

DIRECTORS: K. Williams (Vice Chair), R. Atwell, S. Brice, A. Finall, L. Helps, M. Hicks, D. Howe, J. Ranns, V. Sanders (for C. Plant), B. Desjardins (Board Chair, ex-officio)
NON-VOTING MEMBER: M. Williams (Chair, Saanich Peninsula Wastewater Commission)
STAFF: R. Lapham, Chief Administrative Officer; L. Hutcheson, General Manager, Parks and Environmental Services; R. Smith, Senior Manager, Environmental Resource Management; B. Reems, Corporate Officer; P. Perna, Committee Clerk (Recorder)
ABSENT: Directors V. Deman (Chair) and R. Windsor

The meeting was called to order at 9:31 am.

1. Approval of Agenda

MOVED by Director Helps, **SECONDED** by Director Finall,
The the agenda for the August 10, 2016 Integrated Resource Management Select Committee meeting be approved as circulated.
CARRIED

2. Adoption of Minutes

- 2.1. [16-860](#) Approval of the Minutes of the July 27, 2016, Meeting of the Integrated Resource Management Select Committee
- MOVED** by Director Ranns, **SECONDED** by Director Helps,
That the minutes of the July 27, 2016, meeting of the Integrated Resource Management Select Committee be adopted as circulated.
CARRIED

3. Chair's Remarks

The Chair remarked on the Integrated Resource Management Pilot Project and the Terms of Reference and expressed his appreciation for the contributions from Mr. M. Williams.

4. Presentations/Delegations

None.

5. Committee Business

5.1. [16-852](#) Integrated Resource Management Pilot Project - Next Steps

Discussion ensued on the following changes:

- * Board oversight on the governance of resource integration
- * the relationship between Board and Committees
- * keeping bullets consistent throughout the Terms of Reference

MOVED by Director Ranns, **SECONDED** by Director Finall,

That the Integrated Resource Management Select Committee recommend to the Capital Regional District Board:

That staff be directed to:

1. retain the services of a procurement specialist to work with staff to develop a Request for Expressions of Interest (RFEOI) for an Integrated Resource Management (IRM) pilot project and bring an RFEOI document back through the Committee to the Board for approval;
2. retain the services of an independent IRM specialist to present information to the Board regarding the Sydney, Australia strategic IRM process and to assist with the development of an RFEOI, as outlined above; and
3. amend the Terms of Reference of the Integrated Resource Management Select Committee as shown in Appendix D.

MOVED by Director Helps, **SECONDED** by Director Hicks,

That the Terms of Reference of the Integrated Resource Management Select Committee as shown in Appendix D be amended to remove the following:

1.0 Purpose:

Bullet number 2, which states: Recommend options for Board and Core Area Wastewater Treatment Project Board action on governance and implementation for liquids treatment and solids treatment.

4.0 Committee Goals:

Bullet number vii, which states: Identify options for future governance of managing liquid and solid wastes together, evaluate and choose one; and

Bullet number viii, which states: Based on the options for governance above identify, evaluate and choose an option for cost sharing and funding.

CARRIED

OPPOSED: Directors Atwell and Finall

MOVED by Director Helps, **SECONDED** by Director Hicks,

That the Integrated Resource Management Select Committee recommend to the Capital Regional District Board:

That staff be directed to:

1. retain the services of a procurement specialist to work with staff to develop a Request for Expressions of Interest (RFEOI) for an Integrated Resource Management (IRM) pilot project and bring an RFEOI document back through the Committee to the Board for approval;
2. retain the services of an independent IRM specialist to present information to the Board regarding the Sydney, Australia strategic IRM process and to assist with the development of an RFEOI, as outlined above; and
3. amend the Terms of Reference of the Integrated Resource Management Select Committee as shown in Appendix D as amended.

CARRIED

OPPOSED: Directors Atwell and Finall

6. New Business

None.

7. Adjournment

MOVED by Director Helps, **SECONDED** by Director Brice,
That the August 10, 2016 Integrated Resource Management Select Committee
meeting be adjourned at 9:43 am.
CARRIED

Chair

Recorder



**REPORT TO INTEGRATED RESOURCE MANAGEMENT SELECT COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 9, 2016**

SUBJECT **Advanced Integrated Resource Management Project – Request for Expressions of Interest**

ISSUE

To update the Integrated Resource Management Select Committee (IRMSC) regarding the Request for Expressions of Interest (RFEOI) process for development of an Advanced Integrated Resource Management Facility.

BACKGROUND

At its August 10, 2016 meeting, the IRMSC made the following recommendations:

That staff be directed to:

1. *retain the services of a procurement specialist to work with staff to develop a Request for Expressions of Interest (RFEOI) for an Integrated Resource Management (IRM) pilot project and bring an RFEOI document back through the Committee to the Board for approval;*
2. *retain the services of an independent IRM specialist to present information to the Board regarding the Sydney, Australia strategic IRM process and to assist with the development of an RFEOI, as outlined above.*

As directed by the IRMSC, CRD staff hired HDR Consulting as the independent IRM specialist to provide expertise regarding technologies and to bring innovative procurement approaches to the project.

The process for developing an Advanced Integrated Resource Management (AIRM) solution for the region would commence with issuing a performance-driven Request for Expressions of Interest to sound the market. This request would cover the CRD's goals for an IRM solution, evaluation of technologies, greenhouse gas reduction potential, resource and revenue opportunities, site selection and facility reference costs. The responses to the RFEOI will guide the next important step, which is RFP scope definition and laying out a multi-stage competitive and innovative procurement process. Potential ownership structure and delivery models for a new AIRM facility will be communicated as future procurement phases unfold.

In order to realize an integrated municipal solid waste (MSW)/biosolids solution, the RFEOI has been expanded to investigate a wide range of beneficial reuse opportunities of all feedstock available to the CRD. Current feedstock includes: biosolids, source-separated kitchen scraps, yard and garden waste and residual MSW. The absence of MSW flow control within the Region and the inability to guarantee tonnages raises the level of financial risk on the project and will likely be reflected in the responses to the RFEOI.

In keeping with recent Core Area Wastewater Treatment Plant Project Board recommendations and the Saanich Peninsula Wastewater Commission's desire to explore a regional approach to wastewater treatment and residuals management, the RFEOI would include a section to determine the level of private sector interest to undertake a scalable sub-regional solution on the Saanich Peninsula.

HDR consultants have provided a technical scoping summary to identify key considerations for the proposed RFEOI, attached in Appendix A. The IRM Select Committee's preference for thermal reduction processes as a potential IRM solution, including an option for a pilot, is emphasized in the RFEOI, along with a categorical exclusion around land application of biosolids/process residuals.

Once the Scoping Summary has been vetted and approved by the committee, the RFEOI will be finalized and brought back for approval. A Project Charter is also being contemplated for the project.

The economic implications of a long-term, in-region facility will only be determined once the results from the RFEOI and future RFP are available. Commitment on feedstocks supplied by municipal and private sector participants will be discussed as part of the collaborative RFP process. Outcomes of these discussions will impact processing technology selection and cost.

Any in-region facility, regardless of technology, would be subject to CRD Bylaws, MOE approvals and include environmental assessments and controls, including leachate, air emissions, odour, vector, litter and dust management plans. For location, Hartland landfill is identified as a potential site for the project and proponents will be allowed to present other suitable site options for consideration.

Potential proponents are expected to ensure alternate locations have appropriate land use designations by working directly with the appropriate municipality or electoral area.

Next Steps

Implementation of the kitchen scraps processing procurement process includes:

- Issue Expression of Interest (EOI) – November/December 2016
- Issue RFQ – February 2017
- Board selection of proponents and review of RFP documents – April 2017
- Scope Definition – May to June 2017
- Issue RFP – July 2017
- Collaboration with RFP proponents, municipalities and municipal haulers – Fall 2017
- Volume commitments and award RFP (timing dependent on technology and location)
- Finalize contracts and start construction (timing dependent on technology and location)

CONCLUSION

A scoping summary of key considerations for a Request for Expressions of Interest for an

advanced Integrated Resource Management solution has been prepared for the committee's consideration.

RECOMMENDATION

That the Integrated Resource Management Select Committee recommend to the Capital Regional District Board:

That the staff report on Advanced Integrated Resource Management Project – Request for Expressions of Interest be received for information.

Submitted by:	Joshua Frederick, P.Eng., Manager, Environmental Planning and Engineering
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

JF:cl

Attachment: Appendix A – Request for Expressions of Interest Scoping Summary, HDR Inc.

Request for Expressions of Interest - Scoping Overview

HDR offers the following scoping overview for the preparation of a Request for Expressions of Interest (RFEOI) when seeking to engage the market for Integrated Waste Management technologies and related services for the Capital Regional District (CRD).

Introduction and Project Understanding:

HDR understands the CRD is intending to issue an RFEOI as a part of the CRD's exploration of waste management options. Specifically, we understand the CRD desires to better understand the current market capabilities for an integrated waste management solution for the Region's existing solid and future liquid waste management facilities. To explore market capabilities, the CRD intends to engage the market through an RFEOI and a subsequent procurement process.

Solid and liquid waste management within the CRD are currently driven by different legislative authorities/requirements and under the administration of different regional committees and Boards. The CRD seeks to solicit response in the RFEOI to manage some or all of the following materials (quantities to be confirmed):

- 35,000 tonnes per year of biosolids
- 150,000 tonnes per year of municipal solid waste (MSW)
- 15,000 to 30,000 tonnes per year of source separated household organics
- 15,000 to 18,000 tonnes per year of yard and garden wastes

Further the CRD wishes to explore the possibility of integrating solid and liquid waste management interests and maximizing resource recovery through integrated processing of some or all of these materials and generating energy, recovering materials, and producing revenue. We understand the prohibition of land application of biosolids requires that a solution be found for management of this material stream. The CRD would like to demonstrate leadership, and find a solution that places them at the leading edge of resource recovery, broadening the search for technologies for those that could manage all or some of these materials in an integrated approach.

RFEOI Scoping:

Based on these understandings we suggest the CRD prepare the RFEOI employing a transparent process whereby the results are impartial and free from outside influences.

The entire procurement process should be structured to identify and manage risks, as this is most likely to result in a successful outcome. The allocation of risks should be based on which entity is best suited to manage the risk.. For example facility risks such as technology performance and facility operations are typically best allocated to private sector entities. Similarly, program risks such as policy/program adoption, payment for service, etc. are generally allocated to the public sector. Risks that could be either or even shared include site acquisition, offtake purchase commitments, etc.

Prior to issuing the RFEOI, the CRD should confirm their intentions by addressing the following key framework issues:

- What the CRD has (assets, current operations)
- What the CRD needs or wants
- What the CRD is willing to do
- What the CRD is unwilling to do

With these issues clarified, the RFEOI should convey the following information to the prospective respondents:

- Overall goals of the CRD, the purpose of the request
- Identification of issues that are not negotiable (such as finding a solution to manage biosolids).
- Feedstock material types and respective quantities
- Flow control (or the lack thereof) of each feedstock type. What are the market conditions and where do these materials go when certain parameters change (such as cost)
- Any specifics the CRD may have in terms of placing value on issues that otherwise may not be evident (resiliency/redundancy, self-determination, climate goals, greenhouse gas metrics, etc.)
- Schedule or timeline expectations
- Regulatory constraints, site constraints
- Other issues that convey the 'project' to the proponents

The RFEOI should be relatively easy for respondents to reply. Its purpose is to 'cast a wide net' in terms of capturing a response from a wide variety of firms with varying degrees of experience. The outcome of the RFEOI should provide insight into the overall interest of the market, and gauge the

capability, maturity and depth of the market without requesting information that could be seen as proprietary. At this stage, no overly onerous requests such as submitting cost proposals, bonding, or related demands should be included. The RFEOI should not have a bias in terms of possible technologies or outcomes, as there are a range of potentially applicable technologies that are capable of managing some or all of the material streams identified by the CRD. The RFEOI is not a screening tool. Later RFQ phases will be used to reduce the pool of acceptable proponents. If the CRD is intending to employ any unique procurement process in terms of innovative procurement (e.g.: flexibility in terms of risk sharing such as ownership, construction, operations, revenue sharing, etc.) those issues should be revealed. The CRD will also create a data room to provide all historical and current information related to the project.

We typically expect to request information including but not limited to:

- Experience dealing with similar feedstock source materials at throughput rates that are relevant;
- Demonstration evidence of having an existing or previous working facility, how long it has been in operation, typical feedstock, its setting (rural, industrial, urban);
- A description of the typical by-products and/or residues;
- An overview of a facility that could perform the types of functions they offer;
- An interest in participating in further conversations/explorations by the CRD;
- Ability to finance/support the financing of a project of the anticipated scope/size
- Identification of the project execution framework that best suits their capabilities and interest, e.g. Design/Finance/Build/Own/Operate, Design/Build/Operate etc.; and
- Allow respondents to express themselves, offer input, expound on things they feel may be relevant to make a project successful, including terms the proponents feel are necessary for the project to be successful. As part of this, we would propose to include a matrix outlining key project ingredients/risk elements to solicit confirmation of their willingness to take on those project elements typically allocated to the private partner.

We realize these terms may require refinement to reflect the conditions unique to the CRD. We would work with CRD staff to refine the RFEOI prior to issuance.