



IRM Request for Qualifications (RFQ)

Draft Outline

Capital Regional District

Advanced Integrated Resource Management (IRM)
Project

August 23, 2017



1. Introduction

On June 28, 2017 the Integrated Resource Management Advisory Committee (IRMAC) recommended to the CRD Environmental Services Committee that five key deliverables be prepared and delivered for the September IRMAC meeting, based on the staff report regarding Advanced Integrated Resource Management, Next Steps and the presentation that was provided regarding the IRM Road Map. These recommendations were approved by the Environmental Services Committee on June 28th, 2017 and subsequently by the CRD Board. One of these five key deliverables is an IRM Request for Qualification (RFQ) Outline.

The following describes the proposed approach to undertake the IRM RFQ along with the proposed IRM RFQ Outline. This approach and the IRM RFQ Outline reflects the staff reports and documents developed to-date in support the IRM process including the outcome of the RFEOI process, the outcome of discussions with CRD staff and work completed on other components of the IRM Project Plan.

2. Alignment of the IRM RFPQ Within the IRM Project Plan

The proposed IRM Work Plan submitted to the Province in May 2017 indicated that in the latter half of 2017 the CRD would issue an RFPQ for an IRM facility. Since that time, the CRD has considered the approach to integration of the RFQ process within the overall IRM Project Plan, and have updated the approach and timing for the RFQ process within the IRM Project Plan Outline which is addressed under separate cover. Implications of the overall IRM Project Plan in regards to the content and approach used to undertake the IRM RFQ include the following:

- a) The outcome of the IRM Facility Tour will be used to inform the RFQ. As a result finalization of the RFPQ document would be undertaken subsequent to the Facilities Tour to reflect the outcome and any IRM project recommendations arising from the tour.
- b) The CRD will not be in a position as of late 2017 to 'guarantee' all of the feedstock types or quantities that could be made available for an IRM solution. The outcome of the RFP process for the Residual Treatment Facility will be understood in late 2017 and will allow for greater definition of the biosolids material stream in the IRM RFQ document. However, work on the Solid Waste Management Plan (SWMP) process and decisions related to flow control that would be required to guarantee other solid waste feedstock materials, will not be completed as of the time the RFQ needs to be finalized and released in order to support the overall IRM Project Plan.

As a result, this RFQ would not seek to pre-qualify service providers capable of managing specific feedstock as required by the CRD, other than management of biosolids. Rather the RFQ would seek to pre-qualify service providers that demonstrate that they have the capability to manage biosolids along with one or more other solid waste streams. The outcome of the RFQ could result in biosolids/raw sludge identifying service providers that demonstrate capability to

manage the full range of the potential CRD liquid and solid waste feedstock within a single integrated IRM facility as well as service providers that can manage some of these materials with their proposed technology, potentially requiring a multi-facility approach to address the full spectrum of potential IRM feedstock.

- c) In most RFQ processes, a preferred type of technology or subset of technologies is identified prior to development and release of the document, which focuses the exercise to qualifying vendors with specific technologies that meet key technical criteria. This is not possible for the IRM RFQ process for two key reasons:
- i. Firstly, it is difficult (to impossible) to scope the technologies that are the subject of an RFQ, without first being able to scope or guarantee the feedstock that must be managed by the facility. The current spectrum of feedstock is capable of being managed through a range of mechanical, biological and thermal technologies.
 - ii. Secondly, to support the alignment of the IRM Project Plan with the ISWRMP process, decisions cannot be made to scope or focus technologies this early in the concurrent processes, without constraining the ISWRMP planning process in a way that is not consistent with provincial solid waste management planning policy.
 - iii. As a result, the RFQ would be designed to qualify service providers that demonstrate capability to manage some or all of the potential IRM feedstock, and the technologies proposed by those service providers that meet the qualification criteria will be used to inform the ISWRMP process and subsequent steps of the IRM Project Plan.
- d) The outcome of the RFEOI process, as documented in the report on the detailed analysis of the RFEOI responses, did not identify any consensus or focus by the technology providers on any specific service delivery models. Interest was expressed by the majority of respondents on a longer term of agreement (20+ years) for some form of Design, Build, Operate (DBO) service delivery model. There was wide variation in the type of the preferred deal structure identified by respondents. As noted below, it is recommended that concurrent with the development of the IRM RFQ that an assessment of risk management approaches, service delivery models and contract structures be undertaken to focus the RFQ approach.
- e) Generally for similar projects a municipality would be advised to develop a Preliminary Business Case in order to determine if a project of this nature was viable, and in the event that it was viable the outcome of the business case would be used to scope the subsequent procurement process including identification of the service delivery model / contract structure and risk management approaches that would be applied during procurement.

The timeframes under which the IRM Project Plan must be developed and completed does not allow for a separate business case to be developed in advance of the RFQ. Instead, concurrently with development of the IRM RFQ document an assessment of service delivery models / contract structures will be undertaken and risk management approaches will be defined. This

will be provided in a separate report to the CRD and will be reflected in the RFQ document. The RFQ outline includes components related to the submission and evaluation of information on financial capability, which will be adjusted based on the outcome of the assessment of service delivery models and the CRD’s preferred risk management approach.

3. IRM RFQ Outline

The following Table 1, provides an IRM RFQ outline, identifying key components of the RFQ. As the RFQ is developed some adjustments to the content/structure of the RFQ will be required to reflect the outcome of the IRM Facility tour and the assessment of service delivery approaches. In addition the RFQ outline will be reviewed and may be adjusted by the CRD Procurement, Legal and Contracts teams, to ensure that this document aligns with the CRD’s procurement and contract approaches.

Table 1 Proposed IRM RFQ Outline

Section Number	Content	Description
1.	Introduction	Overview of Project
2.	Purpose	Describes CRD Goals and Objectives
3.	Background / History a) IRM and CALWMP Processes b) Current Waste Management System c) Additional Background Information d) Objectives e) Scope of Project	Provides history detailing why CRD is conducting this procurement. Intended to demonstrate that this is a viable serious opportunity.
4.	Procurement Process and Project Implementation Overview a) Definitions b) Overview of the Procurement Process c) Procurement Schedule d) Evaluation Process e) Clarification of Submissions f) Reference Checks g) Reference Facilities Site Visits (optional) h) Changes to Submissions i) No Honorarium j) No Contact and Lobbying k) Confidential Information l) Conflict of Interest m) Fairness Advisor	Describes the key overall mechanics of the procurement process.
5.	General Conditions a) CRD Rights b) Conflict of Interest	Highlights specific important provisions that the Proposers need to keep in mind.

	<ul style="list-style-type: none"> c) Confidentiality d) Equal Opportunity and Nondiscrimination e) Submission Validity 	
6.	<p>Submittal Instructions</p> <ul style="list-style-type: none"> a) Submission b) Deadline Obtaining the Document c) Communications d) Contact Person e) Language of Communication f) Requests for Clarifications and Issuance of Addenda g) Site Visit (site visit to location identified by CRD for IRM facility) h) Process for Revision of Submissions i) Technologies j) Proponent <ul style="list-style-type: none"> i. Proponent Technical Team Membership ii. Proponent Financing Team Members iii. Project Company k) Service Delivery Model / Contract Structure 	Provides specific details related to the submission process and key participants.
7.	<p>Submission Documentation Requirements</p> <ul style="list-style-type: none"> a) Transmittal Letter b) Response Security and Insurance Letters c) Executive Summary d) Proponent Team <ul style="list-style-type: none"> i. Organizational Information ii. Experience and Staffing e) Financial Capability f) Proposed Technical Approach for IRM Project <ul style="list-style-type: none"> i. Proposed Feedstock ii. Operational Approach and Process iii. Detailed Process Description and Outputs g) Reference Facilities 	Outline of Response format. The intent is to control the format of the Response to help the review process by clearly delineating how the information is to be provided.

	<ul style="list-style-type: none"> i. Reference System Identification and Contact Information ii. Reference System Description iii. Process Narrative iv. Process Schematic and Drawings v. System Mass and Energy Balances vi. Feedstock Composition vii. Operating History viii. Product Recovery and Marketing ix. Environmental Performance Summary – Emissions x. Environmental Performance Summary – Nuisances <p>a) Additional Information</p>	
<p>8.</p>	<p>Qualification Review (Evaluation)</p> <ul style="list-style-type: none"> a) Approach b) Mandatory Requirements c) Proponent Team Evaluation <ul style="list-style-type: none"> i. Organizational Structure of the Project Company ii. Experience of the Project Lead iii. Experience of the Project Technology Provider(s) iv. Experience of the Project Designer v. Experience of the Project Constructor vi. Experience of the Project Operations and Maintenance Service Provider d) Technical Evaluation <ul style="list-style-type: none"> i. Similarity of Scale ii. Similarity of Feedstock iii. System Reliability iv. System Availability 	<p>Describes the Evaluation Process so that the Responders fully understand the CRD’s approach to identifying qualified service providers.</p>

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	<ul style="list-style-type: none"> v. Recovery of Products for Beneficial Use (materials and energy) vi. Environmental Performance <p>e) Financial Capability Evaluation</p> <ul style="list-style-type: none"> i. Financial Approach ii. Financial Condition iii. Financial Capacity iv. Track Record and Experience of the Financing Team Members 	
FORMS	<p>Form of Security and Insurance Letters</p> <p>Team, Technical and Financial Submission Forms</p> <p>Reference Systems</p>	Detailed forms to control the manner in which key information is provided.
CRD DATA	<p>Solid Waste Quantity Data</p> <p>Solid Waste Composition Data</p> <p>CRD IRM Site Information</p>	Essential background Data

The following provides a breakdown of the IRM RFQ activities that would be undertaken to complete the RFQ process:

- a) Development of the RFQ document:
 - Assess and scope Project service delivery models/contract structure (e.g. financing, ownership, operation) and risk management approaches
 - Prepare components for team qualifications
 - Prepare components for technology qualifications
 - Prepare components for financing qualifications
 - Develop full draft RFQ
 - Review and finalization of RFQ
 - Release of RFQ
- b) RFQ Submission Window:
 - Due to complexity of the RFQ (which is required to provide flexibility for potential outcomes) recommend at least 60 days submission window
 - A number of enquiries during this window should be anticipated
- c) RFQ Evaluation:
 - Prior to the RFQ submission deadline an evaluation framework would be developed and evaluator training would be completed
 - RFQ submissions would be reviewed. There may be a need to accommodate commercially confidential meetings/discussions with proponents to clarify aspects of their submissions under the guidance of the CRD Fairness Advisor
 - Completion of RFQ evaluation, development of recommendations and CRD Staff Report
 - Completion of the Preliminary IRM Business Case

4. Conclusion

The outcome of the RFQ along with the Preliminary Business Case will provide the basis for the CRD to decide whether to proceed with the next IRM steps and would be used to scope any subsequent RFP for an IRM solution.