



To: **Committee of the Whole**

Agenda Section: Corporate Services
Division: Engineering, Planning and Environment
Department: Solid Waste Management

Item Number: CCW - 17-038

Meeting Date: January 24, 2017

Subject: Environmental Resource Recovery Centre – Project Update

Recommendation

That Item CCW 17-038, dated January 24, 2017, regarding the Environmental Resource Recovery Centre – Project Update, be received.

Executive Summary

Further to *Item CCW 16-376 – Environmental Resource Recovery Centre – Project Update* (November 8, 2016), Planning and procurement of the Environmental Resource Recovery Centre (ERRC) has been advanced. The purpose of this Item is to provide:

- details regarding the Planning process being furthered to amend both the County and local Official Plan and zoning for 2976 Horseshoe Valley Road West, Springwater;
- information on a Request for Information (RFI) and preparations on the preliminary business case for organics management options; and
- a revised Frequently Asked Questions (FAQs) document and correspondence received (including County responses).

Development of the ERRC at 2976 Horseshoe Valley Road West, Springwater, will require a County Official Plan Amendment (OPA) and local Official Plan (OP) and Zoning By-law amendments. Applications and the required technical studies were submitted to the Township of Springwater on November 18, 2016. Notification that the Township deemed the applications complete was received on December 16, 2016, triggering the 180-day period to review the applications and provide a decision (as outlined in the Planning Act). County Planning staff continue to work with the Township on furthering the Planning process, which will include a review of technical studies and consultation.

The first procurement opportunity related to development of the Organics Processing Facility (OPF), a Request for Information (RFI), was issued in late November and closed on January 13, 2017. The purpose of *RFI 2016-127 – Organics Management Options* was to gather information on alternatives for processing of the County's source-separated organics.

Alternatives for organics processing, including development of a County-owned facility, will be assessed in a preliminary business case set to be presented this spring. Further details are provided in this Item on the consulting team, Ernst & Young Orenda Corporate Finance Inc., recently retained to undertake this work.

Background/Analysis/Options

The purpose of this Item is to provide an update on development of the Environmental Resource Recovery Centre (ERRC) – including information on the Planning process, preparations for the preliminary business case for organics management options, and correspondence recently received on this project.

Previous staff reports regarding development of these facilities, consultants' technical reports, communication material from public information and consultation sessions, and minutes of Community Engagement Committee meetings can be found at www.simcoe.ca/errc.

Planning Applications

On November 18, 2016, applications were submitted to the Township of Springwater to further the required local Official Plan (OP) and Zoning By-law amendments for 2976 Horseshoe Valley Road West, Springwater. These applications and a County-initiated County Official Plan Amendment (OPA) will now follow the process as outlined in the Planning Act following notification from the Township on December 16, 2016 that the applications to the Township have been deemed complete. As outlined in the Act, the Township will now have 180-days to review the applications and provide a decision.

The following technical studies are posted on the County's Planning webpage (a link is also provided at www.simcoe.ca/errc) and for reference, a summary of the various studies, key words, and description of each is provided as Schedule 1.

- Planning Justification Report
- Agricultural Impact Assessment Report
- Scoped Environmental Impact Study (includes Hazard Land Assessment)
- Facility Characteristics Report (includes Conceptual Site Plan, Functional Servicing Study, Stormwater Management Study, Noise Assessment, Odour Assessment)
- Hydrogeological Assessment
- Stage 1 & 2 Archaeological Assessment
- Stage 3 Site Specific Archaeological Assessment
- Stage 3 Site Specific Archaeological Assessment – Supplementary Documentation
- Cultural Heritage Resource Assessment: Built Heritage Resources and Cultural Heritage Landscapes
- Traffic Impact Assessment

Notification was provided by e-mail to the project contact list on December 22, 2016 and update letters sent to the 500 m neighbouring landowners on December 28, 2016 as follow-up. As the project is now in the Planning approvals stage, questions regarding the applications and/or the forthcoming Planning process are being referred to the County's Planning Department at errc@simcoe.ca. Being sensitive to the legalities of this process outlined in the Planning Act, smaller meetings with 500 m landowners will be on hold in the interim during this project phase. Notices regarding formal public consultation opportunities will be posted at the appropriate time, as per the Planning Act.

The required information will be provided to the appropriate ministries, agencies, and Aboriginal communities for their respective review and comment. Consultation with the Ministry of Municipal Affairs (MMA), the Ministry of Natural Resources and Forestry (MNR), Nottawasaga Valley Conservation Authority (NVCA), and Township of Springwater and County Planning staff has been on-going and will continue as site-specific studies are reviewed.

Organics Processing Facility Development

Request for Information

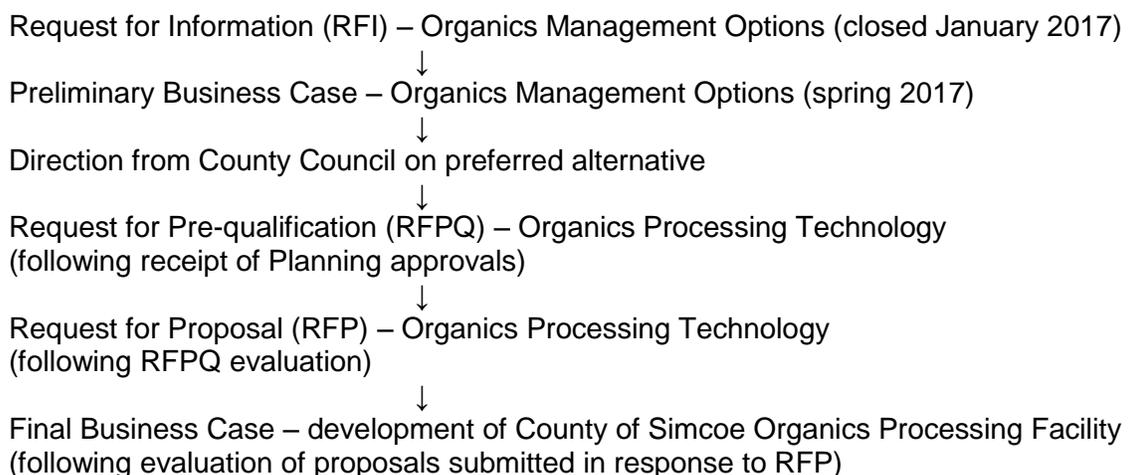
On November 30, 2016, the first procurement document related to development of the Organics Processing Facility (OPF), *RFI 2016-127 – Organics Management Options*, was posted on the County's procurement website www.biddingo.com/simcoe. This document was also available on the ERRC webpage and notification sent to the project contact list on December 9, 2016. This opportunity closed on January 13, 2016.

The purpose of this Request for Information (RFI) was to gather information on alternatives for processing of the County's source-separated organics. These alternatives will be assessed in a preliminary business case which will examine the various options for organics processing available to the County at this time – including development of an Organics Processing Facility (OPF) at 2976 Horseshoe Valley Road West, Springwater. The preliminary business case, to be presented to County Council in spring 2017, is anticipated to assess alternatives such as Design-Build-Operate (DBO) arrangements for aerobic composting or anaerobic digestion facilities at 2976 Horseshoe Valley Road West, available merchant capacity, or other Design-Build-Own-Operate (DBOO) options (this will be dependent on submissions to the RFI).

This RFI follows similar methodology to work completed for the 2010 Solid Waste Management Strategy and furthered in the initial viability study for the OPF undertaken in 2012. As some time has passed – and as a measure of prudence – organics management options will be re-examined in the preliminary business case.

Preliminary Business Case

As outlined in previous staff reports and the Development Strategy for the ERRC, it is anticipated that the business case for the OPF will be developed in two parts as follows:



A Request for Proposal (RFP) for consulting services related to development of the preliminary and final business case was posted in November 2016. The objectives of this series of consulting tasks is to determine the business and operational impact, risk, and cost/benefit of various

organics management options, including development of a County-owned facility. *RFP 2016-131 – Consulting Services – Organics Management Business Case* resulted in the submission of three proposals. These proposals were subsequently evaluated by a staff committee (consisting of representatives from the County's Finance and Solid Waste Management Departments, overseen by the Procurement team) on criteria related to both the firm and proposed project team's experience in business case preparation (specific to waste management and/or organics processing infrastructure), public sector projects, and stakeholder consultation.

The scoring, as outlined in the RFP document, was based 85% on the Proponent's technical proposal (850 points available) and 15% on the financial proposal (150 points available). Predefined scoring criteria for the technical proposal was quite rigorous and included points for experience related to financial assessment, forecasting, risk assessment, cost/benefit analysis, expertise in capital project planning (noting projects undertaken for the public sector utilizing various project delivery methods), business case preparation, and knowledge of Public Sector Accounting Board (PSAB) standards.

The proponent with the highest overall score was Ernst & Young Orenda Corporate Finance Inc. (EY). The Canadian firm, established in 1864, employs approximately 5,000 people nationally. As indicated in their proposal, a team of specialized Infrastructure Advisory (IA) professionals have deep experience in and knowledge of capital markets and infrastructure and provide independent advice to clients on the procurement process, structuring, risk, and strategic and financial aspects of major infrastructure transactions. Their team has extensive experience – including financial analysis/business case work on similar waste management projects. This includes the City of Surrey Organic Biofuel Processing Facility, various City of Toronto assignments (including their mechanical biological treatment – anaerobic digestion mixed waste processing facility), the Region of Durham integrated waste management system anaerobic digestion facility, and the Region of Peel anaerobic digestion facility.

Submitted Correspondence

As noted in *Item CCW 16-191 – Solid Waste Management Infrastructure Projects – Public/Stakeholder Engagement Update* (May 24, 2016) comments and questions regarding these projects may be submitted via the project webpages or sent directly to staff and/or members of County Council. In response to recent correspondence received, the Frequently Asked Questions (FAQs) document has been updated (Get the Facts, January 2017) and, for reference, included in this item as Schedule 2. This includes responses to questions regarding the Waste Free Ontario Act and fire safety and additional wording to include specific reference to a Materials Recovery Facility (MRF). In addition, correspondence sent in response to and the various letters and e-mails received by the Warden has been provided as Schedule 3 (from August 27, 2016 to January 6, 2017). This process of recording and presenting correspondence will be maintained as the projects progress.

Financial and Resource Implications

To date, approximately \$220,000 and \$475,000 has been spent on development of the Organics Processing Facility (OPF) and the Materials Management Facility (MMF) projects, respectively (to end of November 2016). Costs associated with the preliminary and final business case for the OPF, anticipated to be \$232,196, have been previously budgeted.

Relationship to Corporate Strategic Plan

In regard to long-term processing of organics, the Solid Waste Management Strategy (Strategy) recommended development of a centralized composting facility within the County. Public input indicated support for in-County processing as well as for the addition of pet waste and diapers to the program. This item also supports the Strategy recommendation to develop transfer capacity infrastructure to manage garbage and recyclables generated within the County.

Reference Documents

- Item CCW 16-191 (May 24, 2016) Solid Waste Management Infrastructure Projects – Public/Stakeholder Engagement Update
- Item CCW 16-376 (November 8, 2016) Environmental Resource Recovery Centre – Project Update

Attachments

Schedule 1 – Summary of Technical Studies – 2976 Horseshoe Valley Road West, Springwater

Schedule 2 – Updated Frequently Asked Questions (FAQs) – Get the Facts, January 2017

Schedule 3 – Correspondence (from August 27, 2016 to January 6, 2017)



for CCW 17-038
Schedule 1.pdf



for CCW 17-038
Schedule 2.pdf



for CCW 17-038
Schedule 3.pdf

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January 9, 2017
January 16, 2017
January 16, 2017
January 17, 2017