

For Information

DATE: August 17, 2010

REPORT TITLE: **PEEL INTEGRATED WASTE MANAGEMENT FACILITY
MATERIAL RECOVERY FACILITY
DOCUMENT 2010-003T**

FROM: Dan Labrecque, Commissioner of Public Works

OBJECTIVE

The purpose of this report is to inform Regional Council of the process followed to secure a new operator for the Peel Integrated Waste Management Facility - Material Recovery Facility.

REPORT HIGHLIGHTS

- In December 2009, staff presented the Waste Management Committee with an update on the ongoing negotiations regarding the operation and maintenance of the Material Recovery Facility (MRF).
- Staff recommended that the best course of action was to terminate the agreement with the current operator no later than October 31, 2010 and commence a competitive procurement process, consisting of a Request for Prequalification (RFQ) and Request for Tender (RFT) to secure a new operator for the MRF.
- Council authorized (Resolution 2010-28) staff to commence a competitive procurement process to secure a new operator for the MRF.
- A RFQ for the Operation and Maintenance of the MRF was released on January 22, 2010.
- Seven vendors submitted their qualifications and corporate information for further consideration.
- Three of the seven vendors met the minimum criteria and were notified of their selection to participate in a RFT for the Operation and Maintenance of the MRF.
- The RFT closed on June 23, 2010 and two bids were submitted for consideration.
- Canada Fibers Limited (CFL) was the low bidder, was notified that they were the successful vendor and will commence the five year operating term on September 6, 2010.
- Staff are working with the current MRF operator and CFL to ensure a smooth transition.

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DISCUSSION

1. Background

At its meeting held on December 17, 2009, the Waste Management Committee received an update on the Peel Integrated Waste Management Facility (PIWMF) Material Recovery Facility (MRF). Norman Lee, Director of Waste Management, provided an update on the ongoing negotiations regarding the MRF with Waste Management of Canada Corporation (WMCC). He stated that the Region and WMCC have made exhaustive attempts to resolve the material composition dispute but have been unable to agree on the impact changing composition has had on the cost of operating the MRF. WMCC and Regional staff have concluded that the best solution is to terminate the Operations and Maintenance Agreement (Agreement) as early as it is practical to do so with some changes to the existing terms of the Agreement.

Norman Lee informed the Committee that the termination date would be no later than October 31, 2010 subject to Regional Council approval. He stated that the date may change should the Region be able to secure a new operator before the said date.

The Committee expressed frustration with the performance of WMCC and concurred with the staff recommendation to begin a competitive procurement process to secure a new operator.

At its January 21, 2010 meeting, Regional Council approved Resolution 2010-28 authorizing staff to commence a competitive procurement process to secure a new operator for the PIWMF MRF.

2. Findings

A Request for Prequalification for the Operation and Maintenance of the PIWMF MRF was released on January 22, 2010. The document invited potential vendors to submit information related to their previous MRF operation and maintenance experience. A total of 22 potential vendors received the Request for Prequalification. Seven vendors submitted their qualifications and corporate information for further consideration.

A committee comprised of technical and Purchasing staff from the Region of Peel evaluated the vendors prequalification submissions based on preset criteria. Three vendors met the minimum criteria and were notified of their selection to participate in a competitive tender process. On May 7, 2010 a Request for Tender (RFT) for the Operation and Maintenance of the PIWMF MRF, for a five year term, was released to the three prequalified vendors.

The tender process had all prequalified vendors attend six mandatory site visits during the second and third weeks of May, 2010. The prequalified vendors were given full access to the MRF while it was both operational and non-operational. They also had access to all of the historical MRF operating data and had the opportunity to ask questions and request clarification on the RFT or observations they had made during their time on site. The RFT closed on June 23, 2010 and two bids were submitted for consideration.

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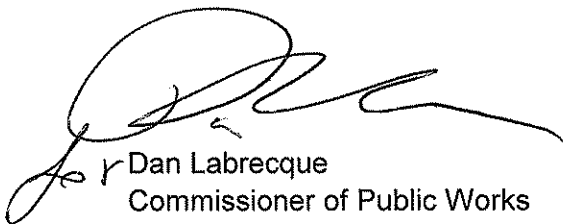
3. Proposed Direction

Canada Fibers Limited (CFL) was the low bidder and was notified that they were the successful vendor for the future operation and maintenance of the PIWMF MRF. CFL will commence the five year operating term on September 6, 2010.

Staff are working with the current MRF operator and CFL to ensure a smooth transition.

FINANCIAL IMPLICATIONS

The necessary funding for the continued operation of the PIWMF MRF is included in the 2010 Waste Management Operating and Capital Budgets. Future funding requirements have been reflected in the 2011 Waste Management Operating and Capital Budget submissions.



for Dan Labrecque
Commissioner of Public Works

Approved for Submission:



for D. Szwarc, Chief Administrative Officer

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