
DATE: March 15, 2012

REPORT TITLE: **TRANSPORTATION AND PROCESSING SERVICES FOR EXCESS SOURCE SEPARATED ORGANICS, IMMATURE COMPOST, YARD WASTE AND VACUUM LEAVES DOCUMENT 2011-637N**

FROM: Dan Labrecque, Commissioner of Public Works

RECOMMENDATION

That the contract for supply of transportation and processing services for excess source separated organics (Green Bin), immature compost, yard waste and vacuum leaves for a firm five-year term in the estimated amount of \$1,500,500 (excluding applicable taxes) be awarded to All Treat Farms Limited, in accordance with Purchasing By-law 63-2008;

And further, that staff be authorized to increase the contract for similar requirements during the five-year term where the actual annual or seasonal requirements exceed the estimates to the limits allowed by the budget.

REPORT HIGHLIGHTS

- The Region of Peel composts leaf and yard waste, vacuumed leaves, Green Bin and immature compost at three facilities.
- *During peak demand periods, the Region's processing capacity is exceeded and additional processing capacity is required.*
- The Region's existing service provider for this processing is All Treat Farms Limited.
- Staff issued a Request for Expression of Interest (RFEI) Document 2011-637N on December 22, 2011, to identify the availability of additional processing capacity.
- All Treat Farms Limited was the only respondent that could accommodate all of Peel's material.
- With only one service provider capable of meeting the Region's need it was determined that the contract is best procured through direct negotiation.
- All Treat Farms Limited has historically demonstrated satisfactory performance and service and a willingness to work with the Region to overcome operational issues and has offered competitive pricing, which will result in a savings of approximately four percent over the current contract pricing.
- Staff recommends a five year contract with All Treat Farms Limited.

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DISCUSSION

1. Background

The Region of Peel operates a network of three composting facilities (Caledon Organics Facility, Peel Curing Facility and the Peel Integrated Waste Management Facility) to process source separated organics (Green Bin material) and yard waste collected by the Region and vacuum leaves collected by the Cities of Brampton and Mississauga. The majority of material collected from this program is processed at one of the three Peel composting facilities. However, during peak demand periods, and when equipment maintenance and repair is required at the Region's facilities additional processing capacity is required.

In 2011 organic material was collected through the Region's Organics Program and processed by the Region and through the Region's contracts was processed as follows:

Organic Material	Metric Tonnes Processed at the Region's Composting Facilities	Metric Tonnes Processed through the Region's Contracts
Green Bin	33,630	787
Yard Waste	21,256	22,030
Vacuum Leaves		8,606
Amendment Material*	11,286	
TOTAL ORGANIC MATERIAL	66,172	32,440

Immature Compost (processed at the Peel Curing Facility)	46,720	1,017
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* *The Region utilizes wood chips as an amendment material in our composting process to improve air flow and achieve the necessary carbon to nitrogen ratio.*

The Region currently has two external contracts to provide excess processing capacity. Excess leaf and yard waste and the vacuum leaves are processed under Contract 97PT-13 with All Treat Farms Limited which ended December 31, 2011. Excess Green Bin material and the immature compost is processed under Contract 2009-683T with All Treat Farms Limited which ended March 3, 2012. New contracts are therefore required for the 2012 season.

Currently the number of vendors in Southern Ontario capable of processing organics is extremely limited and the Certificates of Approval required by the Ministry of the Environment restrict both the type and quantity of organic material that the vendors can process.

2. Procurement Process

In Fall of 2011, staff reviewed the services required for leaf and yard waste and vacuum leaf processing tendering. In an effort to determine the type and quantity of processing capacity available in the current market, staff issued a Request for Expression of Interest (2011-637N) in December 2011. The request was sent to known processors and was advertised on the Region's website. Seven submissions were received.

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Responses to the RFEI are summarized in the following table.

Processing Facility	Peel's Minimum requirements	All Treat Farms Limited	Gro-Bark (Ontario) Ltd.	Miller Waste Systems Inc.	Orgapower Compost Corp.	Orgaworld Canada Ltd.	Scott Environmental Group Ltd.
Location		Arthur	Milton	Richmond Hill / Courtice / Pickering	Dundalk	London	Kingston
Tonnes / day							
Separated Source Organics (Green Bin)	5	120	0	1	0	37	100
Immature Compost	200	200	60	51	0	0	100
Yard Waste	101	No limit	60	101	300	0	200
Vacuum Leaves	267	No limit	60	101	300	0	200
Distance from PIWMF* to Vendor		85 km	39 km	50 km / 88 km / 61 km	92 km	170 km	272 km / 291 km

* Peel Integrated Waste Management Facility

Staff reviewed the submissions received based on the following criteria:

- Type and quantity of material that the Vendor could process pursuant to their Certificate of Approval;
- Available capacity; and
- Distance from the Regional Compost Facilities to the Vendor's Processing Facility.

Based on that analysis staff determined that All Treat Farms Limited is the only vendor that has the ability and available capacity to meet the entire Region's processing requirements.

3. Proposed Direction

Notwithstanding the fact that there is only one vendor capable of processing all of Peel's material for organics processing it is strongly recommended that all material streams be sent to one supplier. There are several reasons for this. Composting is a complex process that is difficult to do without odour complaints. This is especially true for Green Bin material. It is also true for immature compost which includes Green Bin material. Odour complaints have led to temporary and/or permanent closure of a number of composting sites in Ontario. Continuity of services and the ability to consistently move these materials on an on-going basis is important to Peel. Residents separate organic materials on the understanding that it will be converted into compost or other useful products. Landfilling these materials, even for a short time, breaks the public trust and impacts the Region's efforts to increase

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participation. Some municipalities have had to find alternative processing or even dispose of organic material when their processor cut them off or restricted tonnage. Peel has not had these experiences with All Treat Farms Limited. This is largely because our significant tonnage made us a preferred customer. Separating out Peel's Green Bin material and Immature Compost from the Region's leaf and yard waste processing could lead to service interruptions for these two difficult to compost streams. A review of pricing at other municipalities also suggest that splitting tonnage over multiple contracts does not result in better pricing. Staff has analyzed the proposed pricing structure and has estimated that it will result in an annual savings of approximately 4%.

Staff therefore recommends that the Region enter into a five year contract with All Treat Farms Limited for the supply of transportation and processing services for excess green bin material, immature compost, yard waste and vacuum leaves in the estimated annual amount of \$1,500,500 exclusive of applicable taxes, in accordance with Purchasing By-law 63-2008.

It is the intent of the contract documents to purchase the services on an as required basis. Contract values are based on estimated quantities only. The Region may require more or less service depending on actual requirements.

FINANCIAL IMPLICATIONS

Sufficient funding is available in various Waste Management operating cost centres (WW20410, WW70310, WW70330 and WW70340). Subsequent years' costs will be accounted for in future Waste Management Operating Budget submissions.



for Dan Labrecque
Commissioner of Public Works




Approved for Submission:



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