

TORONTO STAFF REPORT

April 22, 2004

To: Works Committee

From: Commissioner, Works and Emergency Services
Chief Financial Officer and Treasurer

Subject: Professional Services for Environmental Assessment Terms of Reference
Residual Municipal Solid Waste Management
RFP No. 9121-04-7077

(All Wards)

Purpose:

To advise on the results of Request for Proposals No. 9121-04-7077 for the provision of professional services to undertake the Terms of Reference of an Environmental Assessment ("EA ToR") concerning the long-term management of the City of Toronto's residual municipal solid waste, and to obtain authorization to enter into a professional services agreement with MacViro Consultants Inc.

Financial Implications and Impact Statement:

The identified total cost for MacViro to undertake the assignment to prepare the EA ToR is \$250,487, including development of a strategic communication plan and conduct of a technology vendor workshop on development of EA ToR, presented as optional deliverables, and inclusive of GST.

The recommended budget is comprised of the following items:

Project Work Plan	\$220,000
Strategic Communications Plan	\$7,500
Technology Vendor Workshop	\$6,600
GST	<u>\$16,387</u>
Total	\$250,487

Funds have been provided for in the 2004 Capital Works Program of the Solid Waste Management Services Division as recommended by the Policy and Finance Committee under the Waste Diversion Facilities Project (CSW004).

Related expenditures in 2004 are estimated to be approximately \$165,000. The balance of the award will be part of the 2005 cash flow in the amount of \$85,487, for a total project cost of \$250,487.

Any options or issues arising from the EA process will be included in the 2005 and future year budget requests as appropriate.

Recommendations:

It is recommended that:

1. the firm of MacViro Consultants Inc. as the highest overall scoring Respondent meeting the requirements be retained at a cost not to exceed \$250,487.00 including all taxes and charges, to prepare the Terms of Reference of an Environmental Assessment for the management of the City of Toronto's Residual Municipal Solid Waste;
2. subject to the adoption of Recommendation No. 1, it is further recommended that the Commissioner of Works & Emergency Services be authorized to negotiate and enter into an agreement with MacViro Consultants Inc. for the work cited in Recommendation No. 1, to the satisfaction of the City Solicitor; and
3. the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In order to reach the objective of 100 percent diversion by 2010, City Council's Task Force 2010 (June 2001) identified the need to consider new and emerging technologies to manage residual waste remaining after utilization of curbside recycling and organic materials diversion programs. Subsequently, the New and Emerging Technologies, Policies and Practices Citizen and Expert Advisory Group (the "Advisory Group") was formed to assist the City in its management of residual waste.

On June 25, 2003, the Advisory Group held a meeting dedicated to the matter of planning under the Environmental Assessment Act. At that time, City staff advised that the Ministry of the Environment's EA and Approvals Branch strongly recommended that the City proceed with EA-level planning related to the potential implementation of new and emerging solid waste

management technologies. At the conclusion of the meeting the Advisory Group adopted the following:

“Preamble

The City of Toronto (the “City”) has established a goal of 100 percent diversion from landfill by the year 2010. Current recycling and composting programs, including the Green Bin program to process household organics and other Task Force initiatives, will increase the City’s diversion rate from landfill to approximately 43 percent by 2005. As a means to achieve its diversion objectives of 60 percent diversion from landfill by 2006 and the 100 percent objective by 2010, the City is reviewing the potential adoption of new and emerging technologies, policies and practices.

Recommendation No. (1):

There be an individual EA, as set out under the requirements of the Ontario EA Act, for the management of Toronto’s residual solid waste.

Recommendation No. (2):

The City be the proponent of the EA:

Recommendation No. (3):

The EA should address all phases of planning and decision-making, including: (i) need; (ii) the choice of policies and practices and technology (ies) (i.e. “alternatives to”); and (iii) the siting of facilities (i.e. “alternative methods”). The City should begin the development of the Terms of Reference for the EA as required by the EA Act as soon as possible.”

Subsequently, a report from the Commissioner of Works & Emergency Services, dated August 21, 2003, recommended that the City undertake an individual EA for the management of the City of Toronto’s residual solid waste and that a consultant be hired through a Request for Proposals process to carry out the individual EA.

On September 22, 23, 24 and 25, 2003, City Council adopted Clause 41 embodied in Report No. 9 of the Policy and Finance Committee, which committed the City to undertake an EA for the management of its residual solid waste and authorized the Commissioner of Works & Emergency Services to hire a consultant to undertake the EA.

Comments:

EA Terms of Reference

As planning began on a Request for Proposal (“RFP”) for a consultant to undertake an EA, project staff of the City’s Solid Waste Management Services concluded that a systematic course of action was required, whereby the ToR of an EA should be undertaken and completed prior to retaining a consultant to assist with the actual EA.

An EA “Terms of Reference” is the framework, developed through public consultation, which guides and focuses the preparation of an EA. The approval of the Terms of Reference is the first statutory decision by the Minister of the Environment in the EA planning and approval process under the Environmental Assessment Act.

The recommendations of this report reflect this recognition to proceed in systematic planning phases. Following the completion of the EA ToR a separate procurement step will be undertaken to prepare an RFP to undertake the EA.

Issuance of the RFP

On March 11, 2004 the City’s Purchasing and Materials Management Division issued an RFP for professional services to prepare an EA ToR for the long-term management of the City’s residual municipal solid waste. One hundred fifty nine (159) firms from the City’s Bidders List for this category were notified and invited to submit Proposals. The RFP was also advertised on the City’s internet website and in the Toronto and GTA editions of Novae Res Urbis. This resulted in a total of three (3) submissions being received from the following firms on March 31, 2004:

1. Strategic Alternatives;
2. SENES Consultants Ltd.; and
3. MacViro Consultants Inc.

The RFP required Respondents to submit a Technical Proposal and a Cost of Services Proposal. Only those Respondents achieving a score of 75 out of a 100 on their Technical Proposal would have their Cost of Services Proposals opened and evaluated.

A review panel, comprised of staff of Solid Waste Management Services and three members of the Advisory Group (participating under confidentiality agreements) reviewed the three submitted proposals. The three Advisory Group members are Dr. Phil Byer of the University of Toronto, Mr. Brian Howieson, formerly of the Ministry of the Environment, and Ms. Karen L. Davies Buck, of Citizens for a Safe Environment.

There are three stages in the evaluation process:

Stage No. 1 is a technical evaluation whereby the Respondent must score, on an interim basis, at least 75 points to proceed to Stage No. 2;

Stage No. 2 is an interview stage where the interim scores can be refined; and

Stage No. 3 is the inclusion of the Respondent's Cost of Services Proposal, which is only opened for those Respondents who have 75 points or greater after Stage No. 2.

Based on the interim technical evaluation scores, two Respondents, SENES and MacViro met or exceeded the 75 point threshold and progressed to Stage No. 2., interviews.

Interviews were held with SENES and MacViro and the associated consortium members of each lead consultant, to finalize the technical evaluation scores by gaining clarification through the interview process. At the conclusion of the interviews one Respondent, MacViro, exceeded the 75 point threshold for its Technical Proposal and progressed to Stage No. 3, the opening and review of its separate Cost of Services Proposal.

The review panel found that MacViro's proposal demonstrated an understanding and ability to carry out the preparation of the EA ToR and successfully complete the project at a price that is reasonable and within the available budget. MacViro's planning team is comprised of consultants from Earth Tech Canada Inc., Jacques Whitford, and DPRA Canada, in addition to consultants from their own firm. The review panel found MacViro's planning team to have the required experience and depth in addition to a preferred planning philosophy and approach to the project.

The panel has recommended proceeding with the two optional deliverables, as presented by MacViro, for the following reasons:

- the proposed Strategic Communications Plan would provide the City with an identification of audiences that should be engaged in the EA planning stage, their particular stakeholder interest(s), and identification of specific communications tools (such as a dedicated website) to engage the identified audiences; and
- the proposed Technology Vendor Workshop would provide an opportunity to engage industry stakeholders in order to gain insights regarding technology developments, preferred ownership/management options, and capabilities to provide financial securities.

Exceptions

MacViro submitted requested exceptions with their proposal. The first identified a requirement to include in a contract a clause to provide for compensation for work assigned above and

beyond the work plan submitted in their proposal. This is a reasonable request and reflects business practice.

The second exception addressed the clause in the RFP that stated that the Consultant must agree that “for a period of two years following the completion of their contract, it will not enter into a business relationship with any vendor that may be providing or proposing to provide Residual Municipal Solid Waste management technologies to the City.”

MacViro advised that some of its consortium members could not meet this stipulation. However, through the interview process, MacViro advised that all of its consortium members could meet the stipulation aside from Dr. Peter Homenuck of DPRA, who is currently undertaking public consultation and social impact assessment work in connection with proposed landfill expansion projects undertaken by Canadian Waste Services.

Following the interview, MacViro submitted a letter (dated April 7, 2004) to the Chief Financial Officer clarifying the work being undertaken by Dr. Homenuck and also advised that if the MacViro led consortium is successful in attaining the project that all of their members will adhere to the above-noted clause by not accepting any additional consulting assignments for vendors that may be providing or proposing to provide residual waste management technologies to the City.

The review panel found this clarification to be acceptable as Dr. Homenuck is not promoting landfill technology in his current work and has agreed to abide by the clause in the RFP prohibiting work for potential vendors, if MacViro is awarded the contract.

A contract with MacViro will address the requested exceptions, as noted above, and ensure the City’s interests are appropriately protected.

The Fair Wage Office has reported that the recommended firm has indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades Requirements and has agreed to comply fully.

Conclusions :

In response to Council's direction to proceed with EA planning regarding the long-term management of the City's residual municipal solid waste an RFP was issued for professional services to undertake the Terms of Reference of an EA, which is the first required step under the Environmental Assessment Act.

Three firms responded to the RFP. An evaluation was conducted with the assistance of three representatives from the City's New and Emerging Technologies, Policies and Practices Citizen and Expert Advisory Group. Only one firm, MacViro Consultants Inc., received a sufficient score on their Technical Proposal to have their Cost of Services Proposal opened.

This report recommends that MacViro Consultants Inc., the highest overall scoring Respondent, be retained to prepare the Terms of Reference for the EA at a cost not to exceed \$250,487.00, including all taxes and charges.

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