



Durham/York Residual Waste Study

MEMORANDUM

TO: Joint Waste Management Group

FROM:

Andrew Campbell, Director
Solid Waste Management & Administration
Environmental Services Department
The Regional Municipality of York

and

Mirka Januszkiewicz, Director
Waste Management Services
Works Department
The Regional Municipality of Durham

DATE: January 8, 2008

RE: Durham York Residual Waste Environmental Assessment Study
Request for Qualifications – Design, Build and Operate an Energy from Waste Facility

At the completion of the site selection phase of the Durham York Residual Waste Environmental Assessment Study, it will be necessary to prepare submissions for regulatory approvals. The regulatory approvals applications will be required to contain information that is specific to the technology and equipment proposed for the energy from waste facility. The major components of energy from waste technologies are proprietary and differ significantly from vendor to vendor. As a result, it was necessary to proceed through a Request for Qualifications process in order to develop a short list of vendors to participate in the Request for Proposals process to select and engage a preferred vendor in advance of preparation and submission of the regulatory approval applications. Further Regional Council approval will be required and a business case provided prior to issuance of a request for proposals. The following describes the vendor pre-qualification process.

Request for Qualifications – Proponent Submissions

The Request for Qualifications issued by Durham Region on behalf of both York and Durham Regions, closed on October 11, 2007. Nine (9) respondents provided eleven (11) submissions for consideration as listed below (in no particular order):

- City of Amsterdam Entity of Afval Energie Bedrijf (Waste and Energy Company AEB)
- Dongara Pellet Plant LP; Algonquin Power Systems Inc.; MCW Light Heat Cool; The State Group
- Veolia Environmental Services Waste to Energy Inc.; AMEC/Black & McDonald

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- Greey CTS Inc.; Entech – Renewable Energies P/L; HighPoint Financial Services Inc.; Aecon Construction Group Inc.
- Covanta Energy Corporation
- WRSI/DESC Joint Venture; Fisia Babcock Environmental GmbH; Kiewit Industrial Company; Morgan Stanley Biomass LLC; Babcock & Wilcox
- ATCO Power Canada Ltd.; Thermostelect; Morrison Hershfield; EllisDon; Wabi
- Wheelabrator Technologies Inc. (A Waste Management Company)
- Urbaser SA (3 submissions)

Evaluation of Submissions

Three (3) teams (procurement, financial and technical) made up of staff from both York and Durham and the consulting firms of Deloitte & Touche LLP, Jacques Whitford and Genivar, were assembled to evaluate the submissions. A fairness monitor and legal advisor were consulted as required during the evaluation process. The conduct of the evaluation process adhered to the following principles:

- The evaluation process and criteria were consistently applied to all submissions;
- Respondents were given reasonable opportunity to clarify their submissions upon the request by the evaluator in order to ensure the evaluators fully understood the information submitted;
- Evaluators used reasonable professional judgment based on their skills and qualifications in applying the evaluation criteria;
- For all short listed proposals, extensive reference checks were obtained; and,
- In order to protect the integrity of the selection process, all individuals involved in the evaluation process were bound by confidentiality provisions.

Recommended Short List of Pre-Qualified Proponents

Based on the evaluation of the submissions, the following five (5) proponents (listed in no particular order) have been pre-qualified subject to the ratification of the Durham and York Regional Councils:

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- Veolia Environmental Services Waste to Energy Inc.; AMEC/Black & McDonald (see note below)
- Covanta Energy Corporation
- WRSI/DESC Joint Venture; Fisia Babcock Environmental GmbH; Kiewit Industrial Company; Morgan Stanley Biomass LLC; Babcock & Wilcox
- Wheelabrator Technologies Inc. (A Waste Management Company)
- Urbaser SA

Note: The Request for Qualifications submission led by Veolia has met the requirements of the Request For Qualifications subject to one qualification. This submission team carries AMEC as a design engineering company and AMEC has served as a peer reviewer for the Municipality of Clarington. Veolia has been advised of the potential for a violation of article 6.24 of the Request for Qualifications should the Municipality of Clarington be chosen as the host community for the proposed energy from waste facility. Veolia has been advised that they will need to either replace AMEC in the Request for Qualifications submission team, or have AMEC cease all peer review services for Clarington in the event that that municipality is chosen for the preferred site. This approach has been approved by the Request for Qualifications Fairness Monitor.

Request for Proposals

Subject to York and Durham Regional Councils further authorization of the issuance of the Request for Proposals, subject to approval of a business case, York and Durham staff, together with the Durham/York Consulting Team, will finalize the preparation of the Request for Proposals package, which will then be sent out to the pre-qualified proponents listed above.

Proposals received will be evaluated and the results of the Request for Proposals process will then be forwarded to York and Durham Regional Councils for approval. Staff will make future recommendations to the York and Durham Regional Councils regarding the results of the Request for Proposals and will seek authorization from the Regional Councils to proceed with the negotiation and development of a contract with the selected, successful proponent.

Recommendation

It is recommended that the Joint Waste Management Group endorse the short-list of pre-qualified vendors of thermal waste treatment technology and the subsequent issuance of the Request for Proposals for the design, construction and operation of the energy from waste facility as discussed herein and communicate its endorsement to Durham's Works Committee, York's Solid Waste Management Committee and the Councils of both Regions for consideration.