

5

TRILLIUM RECYCLING PROPOSAL

The Solid Waste Management Committee recommends the following:

- 1. The adoption of the recommendation contained in the following report, June 1, 2004, from the Commissioner of Transportation and Works;**
- 2. Staff report back to Committee in September on further discussions to be held with Trillium Recycling and Energy Management Corporation regarding new technology and provide additional information relating to Peel Region's energy from waste processing facility.**

1. RECOMMENDATION

It is recommended that:

1. The process for RFP No. P-03-80, Research Scale Thermal Waste Processing Facility on York Region Site be concluded and that the Region not accept any of the proposals received.

2. PURPOSE

This report will provide Council with an update on the Request for Proposal P-03-80 (RFP) process to establish a pilot scale new and emerging technology facility at the Region's Bales Drive Waste Management Facility.

3. BACKGROUND

At the April 14, 2004 meeting of the Solid Waste Management Committee (Clause 1 of Report No. 4) staff provided Committee with the initial results of RFP No. P-03-80 (*see Attachment 1*). Four proposals were received and one successfully met the mandatory financial and technical requirements of the RFP. The cost of the successful proposal was, however, too high to be supported by staff and a recommendation was put forth to conclude the RFP without award. Committee requested that staff have further discussions with Trillium Recycling and Energy Management Corporation (Trillium) and report back to Committee and Council in June.

4. ANALYSIS AND OPTIONS

The intent of RFP No. P-03-80 was to provide the Region with an opportunity to study and evaluate treatment of residual waste using state-of-the-art thermal technology. The proposed cost was, however, almost ten times the current cost to dispose of waste to

Michigan and six times the process waste at Peel Region's existing energy from waste facility. At the April 14, 2004 Committee meeting, it was suggested that staff meet with the respondent to ascertain the rationale behind their pricing and determine if a lower price was achievable.

Staff have since had several meetings with Trillium. A number of issues were identified during the discussions which ultimately impacted their pricing. These issues included but were not limited to the technology proposed, the design of the air pollution control package, proposed waste water management system, decommissioning costs and carrying costs of the facility between the initial construction phase and point of initial payment.

The proposed technology offers a number of significant benefits over traditional incineration systems including potential elimination of the bottom ash produced by modern incinerators. The cost of this technology will, however, be substantially more. Trillium has therefore indicated to staff their preference to provide Committee with an unsolicited proposal involving a different technology. Trillium claims the alternate technology will be more cost competitive but has not given staff a quotation at this time.

For the Region to consider any subsequent proposal, it will be necessary to first bring the current process to closure. As a result, it is recommended that the process for RFP-03-80 be concluded and that the Region not accept any of the proposals received.

5. FINANCIAL IMPLICATIONS

The technology proposed by Trillium under RFP No. P-03-80 would have increased the Region's waste management costs by approximately \$10.8 million per year for a five year period. This cost increase is not supported by staff as a sustainable alternative despite the learning opportunity of the proposed pilot.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

Staff have met with the successful respondent to RFP No. P-03-80 and reviewed their proposal to determine the source of the higher than anticipated cost. While the respondent has indicated a willingness to revise their proposal, it is not expected that they would be able to provide a competitive price with the technology proposed under the RFP. They have therefore requested the opportunity to submit an unsolicited proposal involving an alternate technology which they believe will be more cost competitive.

Staff therefore recommend that RFP No. P-03-80 be concluded without awarding a contract to any respondent.

The Senior Management Group has reviewed this report.

(A copy of the attachment referred to in the foregoing is included with this report and is also on file in the Regional Clerk's Office.)