

7

CONSULTANT SELECTION FOR OWNER'S CONSULTANT FOR THE DESIGN BUILD PHASE OF THE SOURCE SEPARATED ORGANIC WASTE TREATMENT FACILITY- PROJECT 71335

The Environmental Services Committee recommends the adoption of the recommendation contained in the following report dated April 30, 2010, from the Commissioner of Environmental Services.

1. RECOMMENDATION

It is recommended that:

1. The consulting engineering firm of GHD Inc. be engaged to provide Engineering Services as the Owner's Consultant for the Design and Build phases of the Design/Build/Operate Contract for the Source Separated Organics Waste Treatment Facility as outlined in this report, at an upset limit fee of \$2,274,270.00 excluding GST.

2. PURPOSE

The purpose of this report is to seek authorization to engage a qualified consulting engineering firm to act as Owner's Consultant to review and oversee the design and build work for the Source Separated Organics Waste Treatment Facility Project.

In compliance with the Region's Purchasing By-law, Council authorization is required when a Request for Proposal has been issued and the successful consultant's fee plus taxes is over \$500,000.

3. BACKGROUND

New Facility to be delivered through a Design, Build and Operate Contract

On February 11, 2010, York Region and the County of Dufferin issued a Request for Proposals (RFP) for the Design, Build and Operation (DBO) of a Source Separated Organic (SSO) Waste Treatment Facility (P-09-101) to treat SSO waste from the Region and the County. This RFP is expected to close on May 20, 2010.

Facility will treat 50,000 tonnes per year of Source Separated Organic Waste and produce category AA compost

The Facility will have an initial treatment capacity of 50,000 tonnes per year but will be designed and constructed to facilitate a future expansion to 100,000 tonnes per year.

The Facility will produce compost that meets Category AA criteria as set out in Ministry of the Environment (MOE) Sections 3.1 to Section 3.5 of the draft “Guidelines for Composting Facilities and Compost Use in Ontario.” Compost leaving the Facility shall be ready for the intended end use and shall require no further treatment, curing or storage to meet the Category AA classification for Compost in Ontario.

Owner’s Consultant will provide technical assistance and administer the contract during the design and construction phases

The Owner’s Consultant will provide comprehensive project management, technical advisory and review services, contract administration and construction oversight related to the DBO contract. The Owner’s Consultant will represent York Region and the County of Dufferin on a day-to-day basis throughout implementation of the design and construction phases of the project. The Organic Waste Composting Facility Memorandum of Understanding between York Region and the County of Dufferin is currently being updated. The County of Dufferin’s 10.5 ha site, located within the Dufferin Eco-Energy Park, continues to be the preferred site for the SSO Facility and the prescribed site under the DBO base proposal. Under the base proposal scenario, York Region and the County of Dufferin will be co-owners.

The Owner’s Consultant will provide to the Owner services related to:

- DBO RFP Evaluation
- Oversight of Approvals and Permitting
- Participation in Value Engineering Review
- Finalizing DBO Agreement
- Project Management
- Project Initiation
- Work Control, Quality Control and Stakeholder Management
- Facility Design Review
- Construction Oversight
- Commissioning Oversight
- Warranty Period

4. ANALYSIS AND OPTIONS

Request for proposal issued to four consulting firms

In accordance with the Region's Purchasing By-law, interested consulting engineering firms were invited to submit proposals for undertaking services as Owner's Consultant for the Design Build Phase of the Source Separated Organic Waste Treatment Facility Project. The Request for Proposal No. P-10-54 was advertised in the *Daily Commercial News* and electronically on *Biddingo.com*. Four consultants purchased the RFP and one consultant, GHD Inc. responded.

The modest interest shown in this RFP can be attributed in part, to the small number of companies in Ontario that have experience with the design and construction of SSO Treatment Facilities. More over, some consultants with compost facility design experience may already be involved in teams responding to the larger Design/Build/Operate RFP for the Source Separated Organics Waste Treatment Facility. The DBO RFP generated much interest with 27 RFPs purchased and a bidders meeting attended by 25 individuals representing 21 organizations.

Proposal was evaluated using two-envelope system

The proposal was evaluated using the two-envelope system with technical and financial information submitted in separate envelopes. The technical proposal was evaluated prior to any knowledge of the financial information. Technical content was weighted at 80%.

The Region's proposal evaluation team reviewed the technical/management proposal based on the following criteria:

- Corporate and Project experience
- Project Team Experience
- Understanding the Project
- Project Approach and Methodology
- Project Schedule and Manpower Effort
- Project Deliverables
- Project Management, Quality Assurance and Quality Control

Technical and management components of the proposal must achieve a minimum technical score of 70% or 56 out of 80 to have the financial portion of the proposal considered. The passing grade was increased from the usual 60% minimum to reflect the Region's need to retain an Owner's Consultant with the comprehensive Technical and Management experience and capability to help mitigate the project risks associated with a DBO contract, a large investment in new technology and in an emerging sector subject to increasingly stringent environmental standards.

The financial evaluation composed the remaining 20% weight of the total evaluation. Technical and financial results are summarized in Table 1 below.

Table 1
Consultant Proposal Evaluation Summary

Consulting Engineering Firm	Technical Score (out of 80)	Financial Score (out of 20)	Total Score (out of 100)	Total Price Exclusive of GST
GHD Inc.	66.3	20.0	86.3	\$2,274,270.00

Evaluation of proposal resulted in GHD Inc. achieving a passing grade

As reflected by the above technical score, the proposal by GHD Inc. demonstrated a clear understanding of the specific issues and provided the evaluation team with a high level of confidence that the Region's objectives will be met. Evaluation representatives from both the Region and Dufferin County were very impressed with the quality of the proposal.

The proposal from GHD Inc. thoroughly addressed all of the Region's requirements. Their project team provides expertise specific to procurement, compost facility design and construction. The consultant evaluation team proposed to review the SSO DBO proposals includes individuals with legal, financial and technical backgrounds. The design reviewer has over 42 years of solid waste experience and the construction manager is an engineer with specific experience in the construction of solid waste facilities.

Added value from GHD Inc. includes use of internet based software to provide real time monitoring of the project during construction and includes updated project status/schedule. GHD Inc. prepared the SSO DBO Request for Proposal and has extensive knowledge of all aspects of the project.

5. FINANCIAL IMPLICATIONS

The upset limit fee for the proposed work is \$2,274,270.00 excluding GST. Funding for the project is included in the Region's approved 2010 Capital budget.

The upset limit fees include an amount of \$32,470.00 for provisional items (includes collection of survey information, participation in value engineering study workshop, and participation in a sustainability workshop if required). The consultant will only be reimbursed for provisional items if the provisional items are authorized, in writing, by the Region to complete such work.

Services to be provided by GHD Inc. provide good value to the Region. While the total capital cost of the SSO facility is still to be finalized based on results of the RFP, the latest capital cost estimates indicate that this Owner's Engineer fee is in line with other similar York Region projects including fees for the Owner's Engineer for the Bathurst Langstaff Design Build Project. The SSO facility is a relatively new industry with emerging technologies requiring the Owner's Engineer to have a comprehensive team and approach to ensure project risks are managed and the Region's objectives are met.

6. LOCAL MUNICIPAL IMPACT

By undertaking the project management, technical advisory and review services, contract administration and construction oversight for the design and build phases of the Source Separated Organic Waste Treatment Facility project the Region's local municipalities will be provided a new, third SSO processing option, that is owned by the Region, and offers 45,000 tonnes of SSO processing capacity with added processing / market certainty.

7. CONCLUSION

One proposal for this project was evaluated in accordance with Regional procedures. It is recommended that GHD Inc. be engaged to undertake services as the Owner's Consultant for the Design and Build phases of the Design/Build/Operate Contract of the Source Separated Organics Waste Treatment Facility at an upset limit cost of \$2,274,270.00 excluding GST.

For more information on this report, please contact Daniel Kostopoulos, Director, Capital Planning and Delivery, Environmental Services at extension 5070.

The Senior Management Group has reviewed this report.