



REPORT

To: Chair and Directors

Report Number: ENV-BRD-005

From: Paulo Eichelberger, General Manager of Environmental Services

Date: April 3, 2020

Subject: April 2, 2020 Solid Waste Committee Recommendations

The following recommendations from the April 2, 2020 Solid Waste Committee meeting are presented to the Regional Board for its consideration:

RECOMMENDATION #1: *[Corporate Weighted]*

That the Regional Board award RFP 01-2020, "Operations of Peace River Regional District Landfills", to Whissell Waste Solutions BC Ltd. (Whissell) at a cost of \$16,005,482 (excluding GST) over a 5 year period, beginning August 1, 2020; further, that the Chair and Chief Administrative Officer be authorized to sign the agreement on behalf of the PRRD.

RECOMMENDATION #2: *[Corporate Weighted]*

That the Regional Board award RFP 04-2020, "PRRD Closed Landfill Closure Reports," to GHD Limited at a cost of \$118,289 (excluding GST); further, that the Chair and Chief Administrative Officer be authorized to sign the agreement on behalf of the PRRD.

RECOMMENDATION #3: *[Corporate Weighted]*

That the Regional Board award RFP 05-2020, "Bessborough and Chetwynd Landfill Design, Operations and Closure Plan Update," to Tetra Tech Canada Inc. (Tetra Tech) at a cost of \$99,781.04 (excluding GST); further, that the Chair and Chief Administrative Officer be authorized to sign the agreement on behalf of the PRRD.

RECOMMENDATION #4: *[Corporate Unweighted]*

That the Regional Board forward a letter to the Honourable George Heyman, Minister of Environment and Climate Change Strategy, lobbying for support for a hybrid recycling collection system for low population density regional districts to work within current stewardship programs, as a result of the April 2, 2020 report entitled "Recycle BC and Comingled Curbside" from the PRRD's Solid Waste Committee.

BACKGROUND/RATIONALE:

Landfill Operations

The operations contract for the Bessborough, Chetwynd and North Peace Regional Landfills is ending on July 31, 2020. A Request for Proposal (RFP) was issued to solicit optimum pricing and best practice operations contractors for a five year contract. Five bids were received, which all met the mandatory requirements as set out in the proposal: GFL Environmental, Enviro-Ex, A&L Septic, Whissell, and Brocor. Whissell is the recommended proponent – their proposal was both the lowest cost and the highest scoring.

Landfill Closure Reports and Design/Operations/Closure Plans (DOCP's)

The BC Ministry of Environment & Climate Change Strategy (MoECCS) began a process of “refreshing” all operating permits and operational certificates for both closed and active landfills in late 2020. In order to harmonize all sites with the BC Landfill Criteria the following must be done:

- For closed landfills, permits may be abandoned, provided that landfill closure plan reports are compiled by a qualified professional and submitted to the MoECCS. Upon MoECCS's approval, the permits are then formally abandoned. An RFP was issued to secure consulting services to complete this work in 2020, and to have permit abandonment for 13 sites completed by September 2021¹. Six bids were received from Morrison Hershfield, Tetra Tech Canada Inc., GHD Limited, Golder Associates Ltd., SLR Consulting, and Sperling Hansen Associates. GHD Limited is the recommended proponent as a result of the evaluation and was also the lowest cost provider.
- For active landfill sites, a DOCP² is now required for those landfills with Operational Certificates (such as Bessborough) and older operating permits (such as Chetwynd³). An RFP was issued to secure consulting services to perform this work. Three bids were received from Tetra Tech Canada Inc., GHD and Sperling Hansen Associates. Staff recommend awarding Tetra Tech the contract; they scored highest in the evaluation and were also the lowest cost provider.

RecycleBC (RBC) Business Case

Staff developed a business case outlining a hybrid program for low population regional districts that could offset costs/taxpayer subsidy for processing curbside co-mingled recyclable material, as well as open the door to expand depot collection for recyclables under the provincial stewardship program, RBC. The business case proposes utilizing the PRRD as the direct point of contact with RBC, representing all rural and municipal residents. A conference call was held with RBC to present this business case as a viable option to increase collection of residential recyclable materials. However, RBC stated that they are unable to consider such a hybrid program, as it does not fit into their provincially approved stewardship plan. Given that the proposed business case is at a standstill, the next step is to lobby the Province for consideration of this hybrid program as a way to achieve enhanced waste diversion for PRRD residents. Full details are in the attached document.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

¹ Closed landfill sites are located at Brassey Creek, Cecil Lake, Dawson Creek, Groundbirch, Hudson's Hope, Kelly Lake, Lone Prairie, Mile 62.5, Milligan Creek, Prespatou, Progress, Rose Prairie, and Sikanni.

² DOCP's are all-encompassing blueprints for landfills which describe:

- How landfill cells are constructed, including how surface water is managed (a “Fill Plan”).
- Periodic assessment of landfill gas content in a landfill site.
- Progressive Closure – how different phases of a landfill are closed off when they reach their capacity, done so in order to limit infiltration of surface water run-off.

³ Landfills with older operating permits (like Chetwynd) have not historically required a DOCP update, however, this has officially changed as of January 2020 (documentation received from MoECCS).

STRATEGIC PLAN RELEVANCE:

- ☒ Organizational Effectiveness
- ☒ Partnerships

FINANCIAL CONSIDERATION(S):*Recommendation #1*

The price proposed by Whissell is 3% less than that of the past 5 year contract, which translates to a year-to-year cost savings of approximately \$87,574 per year. As the contract was up for renewal mid-year, staff budgeted for a possible increase in contract cost for the second half of the year. As the cost in fact decreased, the overall anticipated cost for 2020 is approximately \$248,839 less than budgeted.

Recommendation #2

As the permit abandonment process is a new initiative that MoECCS began in late 2019 across the province, it was unknown what the cost of Qualified Professional work would be. To that end, it was estimated that \$100,000 would be needed to conduct the closure plan work in 2020, and the “mitigation of closed landfills” line item in the Solid Waste budget was budgeted accordingly for 2020. It is noted that the low cost provider is \$18,000 over the estimated budget; however, this will not adversely affect the 2020 Solid Waste Budget.

Recommendation #3

Staff originally budgeted \$85,000 to complete Design, Operation and Closure Plan Updates (DOCP). However, the preferred proponent came in approximately \$15,000 higher than budgeted. Staff will negotiate with the proponent as there is an existing fill (design) plan for the Chetwynd Landfill completed under a 2018 contract, before DOCP plans were mandated, which may reduce the scope of work for the Chetwynd component of the project to realize some cost savings.

Recommendation #4

Through the Recycle BC program there are fixed revenue offsets for accepted materials for both marketing and collection. For baled curbside commingled material alone, marketing value is \$170/tonne and collection is approximately \$36 per year per household. Based on 2019 tonnages at \$170/tonne, this translates to \$205,292 for market revenue versus a loss of \$228,498 at current market rates. Net change for market value would be \$429,790 in favor of the PRRD. Additionally, there are a combined 11,860 bins (one for each household) that collect commingled curbside recyclables in Pouce Coupe, Dawson Creek, and Fort St. John. Based on \$36 per household, this translates to an estimated collection offset of \$426,960 to the PRRD. If both the marketing offset and the collection offset were accepted by RBC, the total net reduction in recycling costs to the PRRD could be \$856,750.

COMMUNICATIONS CONSIDERATION(S):

None identified.

OTHER CONSIDERATION(S):*Recommendation #1*

Whissell has identified additional value-add options, which could further reduce costs for the PRRD:

- Updated staffing model, which could reduce costs annually by \$358,932.

- Extension of the contract/renewal from 5 years with 1 year renewal, to a 7 year contract with 3 year renewal (all subject to performances). Annual cost reduction of approximately \$73,563.
- Use of factory rebuilt compaction equipment vs new: annual cost reduction of \$190,147.

Coupled with the 3% reduction stated under Financial Considerations, the possible total annual savings are approximately \$710,216.

Recommendation #2

The proposed Qualified Professional work includes an assessment, which may reduce future monitoring costs on the closed landfill sites.

Attachments:

1. RBC Curbside Business Case