

**REPORT TO INTEGRATED RESOURCE MANAGEMENT ADVISORY COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 6, 2017**

SUBJECT **Advanced Integrated Resource Management – Procurement and Project Plan Update**

ISSUE

To update the committee on the procurement process for the evaluation and potential development of an Advanced Integrated Resource Management (IRM) solution.

BACKGROUND

Proposed next steps for Advanced Integrated Resource Management were presented to the IRM Advisory Committee in June 2017 and the next steps were approved at the Capital Regional District (CRD) Board meeting on July 12, 2017.

This report provides the Request for Qualifications (RFQ) and Project Plan draft outlines prepared by the CRD's IRM consultants (appendices A and B) as requested at the July 2017 CRD Board meeting. Generally, for a project of this magnitude, a preliminary business case would be developed, including technology and feedstock assumptions, and used to determine project viability and the preferred procurement strategy. The timeframe under which the IRM Project Plan must be developed and completed, based on the Board's desire to explore IRM as a potential solution for the provincial requirement for biosolids beneficial reuse, is very tight. Advancement of the procurement of an IRM solution, and the above-mentioned procurement documents, will be substantially informed by the IRM facilities tour and IRM Technology Gap Analysis.

The proposed RFQ and Project Plan approach would seek to pre-qualify IRM service providers that demonstrate they have the capability to manage biosolids along with one or more solid waste stream(s), including raw sludge. The Technology Gap Analysis and proposed IRM facilities tour will inform the feedstock and technology diversity used by existing IRM facilities.

RFQ Outline

The draft RFQ outline includes key components related to the submission and evaluation of information and covers: project development approach; proponent details; and technical and financial capability. Finalization and Board approval of the RFQ document would be undertaken subsequent to the facilities tour to reflect the outcome of any IRM project recommendations arising from the facilities tour. This will also allow for consideration of the award of the Core Area Residuals Treatment Facility Project RFP in late 2017 and the technology brought forward by the preferred proponent.

Project Plan Outline

The IRM Project Plan outline sets out a roadmap necessary to implement an IRM solution within approximately two years of the Residual Treatment Facility beginning the production of biosolids at the Hartland facility. This timeline is required to meet provincial regulatory requirements relating to the beneficial use of biosolids. Finalization and Board approval of the Project Plan would be undertaken in conjunction with the RFQ process.

The IRM Work Plan submitted to the Province on May 31, 2017 has been adjusted to reflect the updated IRM procurement timeline. The ministry has indicated that a formal resubmission of the IRM Work Plan is not required and CRD staff have been directed to simply keep the ministry's appointed liaison up to date with any changes to the Work Plan.

ALTERNATIVES

Alternative 1

That the Integrated Resource Management Advisory Committee recommend to the Environmental Services Committee:

1. That the Request for Qualifications Outline and Integrated Resource Management Project Plan be received for information and that the final documents be brought back to the Capital Regional District Board for approval once the facility tour is complete; and
2. That Salt Spring Island be considered as a sub-regional IRM project alternative within the procurement process.

Alternative 2

That staff be requested to provide further information to the committee.

INTERMUNICIPAL IMPLICATIONS

The Director of Salt Spring Island (SSI) is engaged in a discussion with his community and has expressed an interest that SSI be considered as a sub-regional IRM project alternative within the IRM procurement process.

FINANCIAL IMPLICATIONS

The economic implications of a long-term, in-region IRM facility will be determined once the results from the RFQ and future RFP are available. Commitment on feedstocks supplied by municipal and private sector participants will be discussed as part of the collaborative RFP process. Outcomes of these discussions will impact processing technology selection and cost.

CONCLUSION

An outline for a Request for Qualifications and IRM Project Plan to advance procurement of an Integrated Resource Management solution has been prepared for the committee's information. The RFQ will be brought back in final form after the facilities tour is complete.

RECOMMENDATION

That the Integrated Resource Management Advisory Committee recommend to the Environmental Services Committee:

1. That the Request for Qualifications Outline and Integrated Resource Management Project Plan be received for information and that the final documents be brought back to the Capital Regional District Board for approval once the facility tour is complete; and
2. That Salt Spring Island be considered as a sub-regional IRM project alternative within the procurement process.

Submitted by:	Russ Smith, Senior Manager, Environmental Resource Management
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Larisa Hutcheson, P.Eng., Acting Chief Administrative Officer

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Attachments: Appendix A – IRM Project Plan Outline – HDR (August 30, 2017)
Appendix B – IRM Request for Qualifications – Draft Outline – HDR
(August 23, 2017)