



Request for Prequalification # 1095-2018

for

**The Receipt, Transfer and Haulage (if required)
and Processing of Organics from the Region's**

**Source Separated Organics Green Bin
Collection Program**

Appendix A, A-1 and A-2

The Deliverables and Material Disclosures

Document 3 of 3

Electronic submission required

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Appendix A, A-1 The Deliverables

Companies prequalified through this RFPQ process may be invited to submit a bid on a subsequent Request for Tender (RFT) for The Receipt, Transfer and Haulage (if required) and Processing of Organics from the Region's Source Separated Organics Green Bin Collection Program (invitational second-stage competitive process).

Definitions

The following definitions will apply for this tender:

“Anaerobic Digestion” – means the processing of Source Separated Organics (SSO) materials into energy and solid by-product in the absence of oxygen.

“AA Compost” – means compost that meets the requirements of Canadian Council of Ministry of the Environment (CCME) for unrestricted end use Category AA materials.

“CCME” – means Canadian Council of Ministry of the Environment which has developed the Guidelines for Compost Quality.

“CFIA” – means Canadian Food Inspection Agency.

“Compost” – means solid and stabilized mature earthy product resulting from composting and only derived from organic matter from a compost facility that meets the requirements for Category AA compost as described in the document published by the Ministry entitled “Ontario Compost Quality Standards”, as amended from time to time, originally dated July 25, 2012.

“Composting” – means the managed process of bio-oxidation of a solid heterogeneous organic substrate including a thermophilic phase.

“Contractor” – means the successful bidder that has been awarded the Contract.

“**Effluent**” – means a type of emission comprised of wastewater generated from SSO processing.

“**Environmental Compliance Approval (ECA)**” – means the instrument of environmental approval that replaces the Certificate of Approval as issued by the Ministry of the Environment, Conservation and Parks.

“**EPA**” – means the Environmental Protection Act, R.S.O 1990 or any successor legislation or replacement legislation.

“**Fertilizer**” – means processed SSO waste from a facility that meets the requirements set out in the Fertilizers Act, R.S.C., 1985, c. F-10, as amended, or any successor legislation or replacement legislation.

“**Fertilizers Act**” – means the Fertilizers Act, R.S.C., 1985, c. F-10, as amended, or any successor legislation or replacement legislation.

“**Haulage Services**” – means the transportation of SSO materials from the Region to the Contractor’s facility

“**Licensed Compost Facility**” – means a facility that processes organic matter to produce compost and meets all requirements for Provincial certification as specified in this tender.

“**Licensed Waste Disposal Facility**” – means a facility, with a valid MOECP ECA, at which residue, SSO or other materials is disposed which may include a landfill or transfer station, or facility that conducts thermal treatment, such as incineration, gasification or pyrolysis.

“**MOECP**” – means Ministry of Environment, Conservation and Parks.

“**Municipal**” – means the local area Municipality that the location operates within.

“Region or Region of Durham” or **“Region”** – means Regional Municipality of Durham.

“Renewable Energy Approval” or **“REA”** – an approval for an anaerobic digestion facility issued by MOECP in accordance with O.Reg. 359/09 that the activity, operation or facility complies with the EPA.

“Residual Waste” – means a type of by-product or residue resulting from Material processing that cannot be converted into beneficial use products such as AA compost, energy or Fertilizer and that requires proper disposal at a Licensed Waste Disposal Facility in Ontario.

“Source Separated Organics” or **“SSO”** –as defined in By-Law 46-2011, included herein.

“Specifications” – means all written descriptions or instructions in the tender and resulting contract pertaining to the method and manner of performing the work to be carried out under the contract.

“Work” – means the work undertaken by the Contractor pursuant to the provisions of the contract

1. Background

The Regional Municipality of Durham (the Region) is comprised of eight (8) local area municipalities: the Cities of Oshawa and Pickering; the Towns of Ajax and Whitby; the Municipality of Clarington, and the Townships of Brock, Scugog and Uxbridge.

It is the largest geographical jurisdiction in the Greater Toronto Area, stretching from Lake Ontario in the south to Lake Simcoe in the north. The Region encompasses an area of 2,532 square kilometers and has a population of 650,000.

It is expected that the population will be close to 850,000 by 2021. The vast

majority of the residents live in the five southern municipalities of Pickering, Ajax, Whitby, Oshawa, and Clarington.

The Region is responsible for all aspects of non-hazardous solid waste management programs including collection, processing, diversion, haulage and disposal, with the exception that the Town of Whitby and City of Oshawa maintain responsibility for local collection of garbage, source separated green bin organics, leaf and yard waste in their respective municipalities. The Region of Durham is responsible for all processing of source separated organics collected in its eight local municipalities.

The Region is a leading Canadian community in the delivery of residential solid waste management services and the implementation of progressive waste minimization and diversion programs. In 2017, it diverted fifty-four per cent (54%) of its waste through its various recycling, composting and reuse programs.

Source separated organics generated in the Region typically include vegetable and meat food waste such as fruit and vegetable peels, bones, eggshells, coffee grounds, tea leaves. They also include house plants and some potting soil, plant cuttings, paper products such as paper egg cartons, paper towels, newsprint, tissues and papers towels; dryer lint; and hair. A comprehensive list of Green Bin acceptable materials can be found in By-Law 46-2011, as found in the attached link: (<https://www.durham.ca/Modules/Bylaws/Bylaw/Details/75b823c1-da08-4fdc-99aa-514a8ca86328>).

2. Technical Contract Obligations

The following technical contract obligations are required at contract commencement and throughout the contract term:

1. A Copy of the Environmental Compliance Approvals (ECA issued by the MOECP for the following operations):

- a) operation of a Licensed Organics Processing Facility;
- b) operation of a Licensed Transfer Station(s) capable of accepting SSO material (if applicable);
- c) sewage discharge issued under the Ontario Water Resources Act (OWRA) if processing is Anaerobic Digestion (if applicable)

The point of receipt and transfer of the organic material from the Region of Durham to the Contractor's facility must be within the Region of Durham boundaries. The ECA will confirm the location of your Organics Processing Facility within the Province of Ontario and the Region of Durham or, if applicable, the Transfer Station within the Region of Durham.

2. For any proposal where the transfer station is separate from the processing facility the following is required in addition to the items list in item 1:
 - a) a copy of the applicable Provincial Commercial Vehicle Operators Registration (CVOR) demonstrating a rating of 'satisfactory' or greater. If the Respondent intends to subcontract the haulage portion of the Contract, the CVOR of the subcontractor must be provided. Any CVOR with a rating less than "satisfactory" shall be cause for Contract termination.
3. Additional Mandatory Requirement for the City of Oshawa and Town of Whitby:

The volume of SSO material from collected in the City of Oshawa and the Town of Whitby is approximately 12,300 MT per year and cannot be delivered to a location outside of the City of Oshawa/Town of Whitby borders.

Contractors who can provide a transfer station or organics processing facility within the City of Oshawa or the Town of Whitby for the receipt and processing of SSO collected by these two municipalities will be considered for the prequalification of this portion of the work. Contractors who are unable to **fulfil this mandatory requirement for the Oshawa/Whitby SSO will be**

considered for the prequalification of the balance of the SSO requirements, excluding the SSO volume from the City of Oshawa and Town of Whitby.

The Contractors may use just one SSO processing facility or transfer station located within the City of Oshawa or the Town of Whitby to service the entire Region, or the Contractor may have a transfer station within City of Oshawa or the Town of Whitby to service Oshawa/Whitby's SSO material **and** use a separate transfer station located within the Region of Durham to service the remainder of the Region.

3. Project Description of subsequent RFT

The Region is prequalifying Contractors who are capable of providing a turn-key service for the receipt and processing of its SSO organics for a three-year term with options for extensions up to an additional three one-year terms.

The Contractor will be responsible for, at a minimum, the following:

- Providing all labour, vehicles, tools, equipment and facilities necessary to receive, weigh, transfer and transport (if applicable, as described herein) and process all SSO materials, at a facility located within the Province of Ontario using, either aerobic composting or anaerobic digestion processing or any combination thereof to produce, either AA Compost for unrestricted end use as per CCME and currently stipulated in the Provincial regulations, or into marketable energy forms and other approved beneficial use by-products such as fertilizers, char, compost, etc. in accordance with all Provincial regulations and any other applicable regulation .
- Possessing, all required permits, approvals, licenses, certificates etc. required to undertake the work described in this document
- In the case where the proposed processing facility is not located within the Region of Durham, operating or subcontracting the receipt, transfer and

haulage of SSO materials from the Region's collection contractors, at a transfer station that must be located within the Region of Durham, for transfer and haulage to the Contractor's organics processing facility

- Taking ownership of the SSO material at the first point of receipt from collection vehicles.

The Contractor must be able to accommodate projected seasonal and annual changes in the quantities (tonnage) of SSO materials and contamination levels of material collected and delivered by the Region over the duration of the contract term at no additional cost to the Region.

4. Organics Processing Facility and Transfer Station

The proposed Organics Processing Facility must be located within the Province of Ontario.

Where the organics processing facility is located outside the Region of Durham boundaries, the Contractor must have an owned or sub-contracted transfer station(s) located within the Region of Durham for transfer and haulage (for the receipt and weighing of SSO from curbside collection vehicles and transfer and haulage of the SSO to the processing facility).

The organics processing facility and transfer station must be able to handle the suite of materials the Region collects and be able to properly manage any residue that is contained within the incoming material, as specified the Region's by-law 46-2011, as found in the attached link:

(<https://www.durham.ca/Modules/Bylaws/Bylaw/Details/75b823c1-da08-4fdc-99aa-514a8ca86328>).

1. The Contractor shall not deliver any material, including residual, under this contract to the state of Michigan, USA.

The Contractor shall have an effective odour management control system at the organics processing facility and any proposed transfer station(s).

The Contractor must be capable of handling upset conditions that may result in the facility being temporarily out of commission, shut down or an unexpected event (such as a fire) that interrupts or delays the Contractor's ability to receive, transfer (if applicable) and process the Region's SSO material throughout the term of the Contract.

All permits and approvals must be valid throughout the term of the Contract.

5. Contamination of Source Separated Organics

The Region will use best efforts through promotion and education to educate residents on acceptable SSO materials to provide a consistent quality and source of SSO materials based on the annual tonnages received. However, residents are responsible for placing their own SSO materials into their green bins for weekly curbside collection and there is minimum quality control at the curbside during collection. The Region cannot guarantee 0% contamination SSO materials received under this contract. Contamination rates could be in the range of 5-10% by weight but will not be guaranteed at any rate for the duration of the contract period. There will be not additional costs borne by the Region for any increase in contamination.

The Contractor must be able to manage contamination in municipal source separated organics throughout the term of the Contract.

6. Hours of Operation

The Contractor shall be able to accept and receiving SSO material within the Region, either directly at the processing facility or, if required, and as identified in

Transfer and Haulage, at the transfer station(s), from Monday to Saturday from 6 a.m. to 6 p.m.

7. Source Separated Organics Quantities

The Region estimates to provide approximately 30,000 tonnes per year of SSO. The actual amount of SSO materials to be processed is subject to several factors, including seasonal variations in the short term, population growth or legislative changes over the long term.

Figure 1 shows a breakout of the annual SSO tonnages collected from the Region's residential curbside Green Bin program from 2012-2017, with a separate of Whitby and Oshawa SSO tonnage. This information is provided as a guide only.

Figure 1. Historical SSO Quantities (in metric tonnes)

Year	2012	2013	2014	2015	2016	2017
Whitby, Oshawa	11,560	11,719	11,439	11,193	11,653	12,332
Pickering, Ajax, Brock, Uxbridge, Scugog, Clarington	15,338	15,768	15,568	15,603	15,959	15,987
Total Annual Tonnages	26,898	27,487	27,007	26,796	27,612	28,319

While this information is included for historical reference, it should be noted there is no forward guarantee from the Region regarding the tonnages of SSO that will be available for processing.

The Contractor must have experience managing approximately 30,000 metric tonnes of SSO material, including and transfer and haulage experience for this tonnage and type of material, if applicable. Any growth in the SSO quantities within the Contract terms will be Contractor's Responsibility.

The Contractor must have a process map that tracks material flow from receipt of SSO from collection vehicles to final of outputs, including any transfer and haulage (if required), retention times, operating temperatures, and details of all outputs from the process including, but not limited to, residue, water, bones, grit, slurries (if AD),

digestate (if AD), bio-energy (if AD), air and other, and identification of all final destinations and markets.

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Appendix A, A-2 Material Disclosures

1. Subcontracting

Subcontracting will be permitted for the transfer and haulage component of the proposal only. Subcontracting of the processing operation is not permitted unless it applies to contingency processing that may be required due to temporary facility due to circumstances such as mechanical failure, fire, etc. and as deemed appropriate by the Region.

2. RFT Participation:

Only Contractors who have been pre-qualified under this RFPQ 1095-2018 will be invited to participate in the subsequent Request for Tender.

3. Organic Material Processing Subsequent Request for Tender (RFT)

If the Region issues an RFT for organic material processing to those who prequalify under this RFPQ, the work shall be performed in accordance with the Regional Municipality of Durham's specifications in the Request for Tender (RFT) and within all Ontario Provincial Standards and Regulations referenced within the RFT, which will be posted in the new year, 2019. Based on the results of this RFPQ, the RFT may be split into two sections; section one for Oshawa/Whitby SSO quantity only, and section two for the balance of the Region's SSO quantity.

4. Site Visit

Prequalified Contractors will be required to attend a Mandatory Pre-Tender Meeting during the tendering bidding process.

5. Surety Requirements

In the subsequent RFT, the successful Contractor will be required to submit a surety in the form of certified cheque, bank draft or irrevocable letter of credit in the amount of \$250,000.00 if an award is split between Oshawa/Whitby SSO material and the balance from the other municipalities; or in the amount of \$500,000.00 if the full suite of the Region's SSO material is awarded. The Surety shall be made payable to the "The Regional Municipality of Durham within ten (10) business days of bid acceptance.

Where the security is in the form of a certified cheque or bank draft, it is cashed upon receipt and Financial Services records the funds as a refundable deposit. No accrued interest will be paid upon return of the surety. Where providing an Irrevocable Letter of Credit, it must be completed on the Region's standard format, or reasonable facsimile acceptable to the Region's Legal Department.

6. Insurance Requirements

At a minimum, insurance requirements for the subsequent RFT will include the following:

- Commercial General Liability insurance, in an amount not less than five million dollars (\$5,000,000.00);
- Automobile Liability insurance, in an amount not less than two million dollars (\$2,000,000.00); and
- Environmental insurance, in an amount not less than two million dollars (\$2,000,000.00) per occurrence and four million (\$4,000,000.00) in aggregate.

The Region of Durham reserves the right to modify these requirements prior to the tender period.

7. Receivership/Bankruptcy

Respondents must be solvent or capable of being solvent at the time of award of the subsequent RFT.

Respondents may be disqualified under this RFPQ unless the Region, in its sole discretion, is satisfied that the Respondent will not be in breach of the following condition of the RFT contract at the time such contract will be awarded under the RFT:

“If the Contractor commits any act of bankruptcy; or if a receiver is appointed on account of its insolvency or in respect of any of its property; or the Contractor makes a general assignment for the benefit of its creditors; then, in any such case, the Region may, without notice, terminate the Contract.”

Respondents who are prequalified under this RFPQ will not be awarded the subsequent RFT if at the time of the award the Respondent is bankrupt and has not received a discharge for said bankruptcy or is operating under the appointment of a receiver on account of its insolvency or in respect of any of its property.