



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

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Report Date: June 9, 2008
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VanRIMS No.: 13-6400-01
Meeting Date: June 24, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services

SUBJECT: Award of Contract for RFP PS08090 - Consulting Services for a Financial/Business Evaluation of Various Filling Scenarios for the Vancouver Landfill

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C, and D, Council authorize a contract with Deloitte & Touche LLP ("Deloitte") to provide Consulting Services for a Financial/Business Evaluation of Various Filling Scenarios for the Vancouver Landfill at an estimated cost of \$163,686 (including disbursements) plus applicable taxes; source of funds to be the Solid Waste Capital Reserve.
- B. THAT, the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.
- C. THAT, all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services, Manager of Materials Management, and the Director of Legal Services.
- D. THAT, no legal rights or obligations will be created by Council's adoption of Recommendation A, B, and C above unless and until legal documents are executed and delivered by the Director of Legal Services.

COUNCIL POLICY

Consultant agreements exceeding \$30,000 require Council Authorization.

Contracts are to be awarded on the basis of best overall value for the City.

PURPOSE

The purpose of this report is to seek Council authority to engage Deloitte to conduct Consulting Services for a Financial/Business Evaluation of Various Filling Scenarios for the Vancouver Landfill at an estimated maximum cost of \$163,686 (including disbursements) plus applicable taxes.

BACKGROUND

The City of Vancouver owns and operates the Vancouver Landfill (“Landfill”) located in Delta at 5400 72nd Street. The Landfill operates in accordance with Operational Certificate MR-01611 issued by the Ministry of Environment and under the provisions of the Regional Solid Waste Management Plan. As part of Vancouver’s solid waste management system, the Landfill is authorized to dispose of a maximum of 750,000 tonnes of municipal solid waste (MSW) each year.

In order to assist with the management of excess regional garbage in the Metro Vancouver system, the Landfill has been accepting additional regional garbage and as a result, has been operating at its permitted capacity since 2005. This has helped to extend the life of the Cache Creek Landfill while Metro Vancouver sought a replacement in advance of its planned closure at the end of 2009.

In January 2008, the GVS&DD Board approved their Commissioner’s recommendations to abandon plans to replace the Cache Creek Landfill with landfills located in the interior of British Columbia. Instead, Metro Vancouver would focus its attention on the development of waste-to-energy (“WTE”) facilities. In the interim between the pending closure of the Cache Creek Landfill and the commissioning of the WTE facilities projected for 2015, Metro Vancouver proposed at that time to dispose of the entire region’s municipal solid waste (1.5 million tonnes per year) at the Vancouver Landfill and/or Washington State landfill(s).

At the January 28, 2008 meeting, Vancouver City Council passed the following recommendation in response to the GVS&DD Board’s proposal:

“THAT the General Manager of Engineering Services issue an RFP for a multifaceted consulting study to examine and assess the financial, regulatory and environmental implications of the Metro Vancouver Board proposal to make the Vancouver Landfill the only interim and long term residual waste management facility for the entire region.”

DISCUSSION

In May 2008, the General Manager of Engineering Services and the Manager of Materials Management sought proposals for Consulting Services for a Financial/Business Evaluation of Various Filling Scenarios for the Vancouver Landfill through an RFP process (PS08090). In June 2008, three proposals were received and reviewed by the interdepartmental staff evaluation team (comprising of representatives from Engineering, Finance and Purchasing). A comparative and consistent matrix format was developed and used to compare the proponent's Project teams, proposal contents, proposal details and cost.

Through the evaluation review process, it was determined by the evaluation team that Deloitte's proposal offered the best overall value to the City. Deloitte and their subconsultant, Sperling Hansen Associates, have extensive experience in financial modelling and analysis, solid waste management and financial/business advisory for public services and infrastructure, particularly relating to municipal solid waste. Their proposal reflected a very thorough understanding of the Project background, objectives and technical requirements. Additionally, they have committed a significant amount of specialized resources to complete this Project within the compressed project schedule required to report back to Council in September.

Based on the proposal review, the evaluation team determined that Deloitte's proposal provides the best overall value to the City. Deloitte proposed a project budget of \$163,686 (including disbursements) plus applicable taxes. As such, it is recommended that Deloitte be retained for the Project.

FINANCIAL IMPLICATIONS

The recommended contract with Deloitte to provide Consulting Services for a Financial/Business Evaluation of Various Filling Scenarios for the Vancouver Landfill is estimated at \$163,686 (including disbursements) plus applicable taxes, and will be funded from the Solid Waste Capital Reserve. The Solid Waste Capital Reserve accumulates as a result of Vancouver commercial tipping fees at the Landfill and Vancouver South Transfer Station in order to fund Vancouver's future solid waste disposal capital needs.

CONCLUSION

Following an RFP process and the evaluation of the three proposals received, the General Manager of Engineering Services recommends that the contract for Consulting Services for a Financial/Business Evaluation of Various Filling Scenarios for the Vancouver Landfill be awarded to Deloitte. Deloitte's proposal provides the overall best value to the City for the required scope of work at an estimated cost of \$163,686 (including disbursements) plus applicable taxes with funding provided from the Solid Waste Capital Reserve.

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