
Niagara Region

REPORT TO: Chair and Members of the
Planning and Public Works Committee

SUBJECT: Water and Wastewater Servicing
Comments on Vendor Presentation
Wainfleet Servicing Class EA

RECOMMENDATION

That this Committee recommend to Regional Council:

That this report be received for information and Council support the process outlined.

EXECUTIVE SUMMARY

To address matters raised by presenters at the August 30 2006 PPWC meeting regarding consideration of innovative technologies, alternative delivery models and cost-saving measures related to servicing the Wainfleet Lakeshore area, staff recommends that a formal technical review process be established to provide an objective assessment of alternatives. This process would be effective in allowing alternative approaches and proposed delivery models to be considered equitably among qualified technology vendors and water and wastewater systems providers. Staff will prepare a report on the recommended process for consideration by the Committee.

It is recommended that consideration of matters put forward by the consortium comprised of General Electric-Zenon Ltd., Clearford Industries (Wastewater Systems Division), PCL Construction and Corix Inc., and other such proponents, be held in abeyance until a decision of the Minister of the Environment is received on the Wainfleet Servicing Class EA.

PURPOSE

This report provides members of the Planning and Public Works Committee with a response to the August 30 2006 presentation made on behalf of a consortium comprised of General Electric-Zenon Ltd., Clearford Industries (Wastewater Systems Division), PCL Construction and Corix Inc. regarding proposed alternative water and wastewater servicing approaches for the Wainfleet Lakeshore area.

This report addresses the consortium's proposition to explore the suitability of adopting proprietary technology to address the water and wastewater needs of the Wainfleet Lakeshore community. The report sets out staff recommendations on appropriate follow-up actions in the context of the prevailing business environment and the Minister of the Environment's pending decision on the Wainfleet Servicing Class Environmental Assessment (EA).

BACKGROUND

On August 30 2006, the Planning and Public Works Committee allowed for a presentation by sales representatives regarding proposed alternatives (technologies and financing arrangements) for servicing the Wainfleet Lakeshore area. The presentation was generic and lacking in sufficient detail to allow even a cursory assessment of the merits of the proposed water and wastewater servicing alternatives. The presenter claimed the consortium's approach to be superior to the preferred solution currently under consideration by the Minister of the Environment.

In the presentation, the spokesman provided information on the partnership team, proprietary technologies, project delivery models, proposed private operation, possible servicing costs and the consortium's construction management capabilities. The Committee directed staff to bring back a report on matters raised during the presentation, including its timeliness in the context of the Ministry of Environment's Class EA approval process.

REPORT

The consortium represents established and respected firms with documented experience in the engineering, construction, finance and private system operation. Despite the understandable lack of detail in a presentation of this nature, it is the opinion of staff that information presented by the consortium may warrant further close consideration. However, any technical and scientific review of appropriate technologies should be carried out on a case-by-case basis in accordance with a fair, competitive process conducted by appropriate experts and after MOE approval.

It should be noted that such contemporary technologies as those identified in the presentation have been appropriately considered in the Wainfleet Class Environmental Assessment process. Communal water and wastewater plants and local wastewater collection and water distribution systems were fully examined and documented in the Class EA submitted to the Ministry of the Environment in July 2005.

As previously reported in PWA 101-2005, technologies involving low pressure sewers, vacuum collection systems, communal water and wastewater treatment packaged plants, membrane bioreactor systems for enhanced nutrient removal, sealed sewer collection systems and many others were assessed in the Value Analysis Exercise (VAE) held in February 2005. In fact, Zenon's proprietary membrane technology was specifically considered by the VAE's expert panel. Zenon was one of over 30 firms that were invited to submit technical data under the Request for Technical Information (RTI) process developed as part of the VAE workshop. Other firms have also informally advised of their interest in forming consortia to respond to future RFP or similar requests.

Technical information presented by the consortium reinforces conclusions previously reached by the VAE team that value added and cost effective measures be adopted to further refine the preferred servicing solution. This includes consideration of shallow burial methods, directional drilling, reduced diameter forcemains, small bore sewers, low pressure collection systems, actual project delivery methods and other innovations which would be assessed in the detailed design phase of the Wainfleet project.

Staff recognizes the opportunity to incorporate superior, state-of-the-art components into the proposed Wainfleet system. As part of the project's detailed design phase, staff encourages further discussion of the technical merits of the consortium's products, along with others, in a formal competitive process. However, it should be made clear that in the absence of comparative technical information, the systems and services offered by the consortium should not be considered as inherently superior to those of other qualified vendors. Any such examination should take place within a formal technical review framework that considers the financial, technical, environmental and other merits of competing systems and proposals, including potential public-private service delivery.

Staff recommends that an assessment of alternative technologies and delivery models be undertaken after a decision is rendered by the Minister of the Environment on the Wainfleet Servicing Class EA. Indications from various sources point to a decision being handed down in late September or early October 2006. It would be premature to undertake any detailed design work prior to this decision. Undertaking any further action runs the risk of potentially jeopardizing the MOE approval and delaying and/or repeating all or part of the Class EA process. Such action may also be at odds with the corporate procurement process and accepted industry standards.

In order to properly assess innovative technologies and delivery methods that could be adopted as alternatives or refinements to the approved water and wastewater systems for the Lakeshore area, staff proposes that a fair, open and effective review process be followed. This would involve the establishment of a multi-disciplinary Technical Review

Panel, including external experts, and the solicitation of interest from a broad range of technology vendors and engineering firms. Details on the proposed technical review process, including the constitution of an expert panel and proposed RFP process, will be reported to the Committee after a provincial decision of the Wainfleet Class EA is received.

Submitted by:

Approved by:

Ian Neville, MPA, P. Eng.
Commissioner of Public Works

Mike Trojan
Chief Administrative Officer

This report was prepared by Bob Steele, M.A., MCIP, RPP, with collaboration from Chado Brcic, M.Sc., P.Eng., Director Water & Wastewater Services Division.

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