

**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT (GVS&DD)  
BOARD OF DIRECTORS**

**BOARD MEETING**

**Friday, February 24, 2023**

**9:00 am**

**28<sup>th</sup> Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia**

**Webstream available at <http://www.metrovancouver.org>**

[Membership and Votes](#)

**A G E N D A<sup>1</sup>**

**A. ADOPTION OF THE AGENDA**

**1. February 24, 2023 Meeting Agenda**

That the GVS&DD Board adopt the agenda for its meeting scheduled for February 24, 2023 as circulated.

**B. ADOPTION OF THE MINUTES**

**1. January 27, 2023 Meeting Minutes**

That the GVS&DD Board adopt the minutes for its meeting held January 27, 2023 as circulated. *pg. 4*

**2. February 3, 2023 Special Joint Meeting Minutes**

That the GVS&DD Board adopt the minutes for its special joint meeting held February 3, 2023 as circulated. *pg. 7*

**C. DELEGATIONS**

**D. INVITED PRESENTATIONS**

**E. CONSENT AGENDA**

*Note: Directors may adopt in one motion all recommendations appearing on the Consent Agenda or, prior to the vote, request an item be removed from the Consent Agenda for debate or discussion, voting in opposition to a recommendation, or declaring a conflict of interest with an item.*

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<sup>1</sup> Note: Recommendation is shown under each item, where applicable. All Directors vote unless otherwise noted.

## 1. LIQUID WASTE COMMITTEE REPORTS

### 1.1 Recommended Wet Weather Cost Apportionment Approach

pg. 11

That the GVS&DD Board:

- a) direct staff to prepare amendments to *Cost Apportionment Bylaw 283, 2014* for its consideration in accordance with the key terms described in the report dated January 30, 2023, titled "Recommended Wet Weather Cost Apportionment Approach"; and
- b) initiate wet weather cost apportionment in the 2024 billing cycle to be implemented incrementally over ten years.

## 2. ZERO WASTE COMMITTEE REPORTS

### 2.1 Award of Contract from RFP No. 22-186: Municipal Solid Waste Contingency Disposal Services

pg. 16

That the GVS&DD Board:

- a) approve award of three (3) separate, five (5) year contracts, resulting from Request for Proposals No. 22-186: Municipal Solid Waste Contingency Disposal Services as follows:
  - i. GFL Environmental Inc. in the amount of up to \$47,330,000 (exclusive of taxes);
  - ii. Republic Services in the amount of up to \$44,720,000 (exclusive of taxes);
  - iii. Waste Management of Canada Corporation in the amount of up to \$48,510,000 (exclusive of taxes); and,
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the awards should proceed.

## F. ITEMS REMOVED FROM THE CONSENT AGENDA

## G. REPORTS NOT INCLUDED IN CONSENT AGENDA

## H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

## I. OTHER BUSINESS

### 1. GVS&DD Board Committee Information Items and Delegation Summaries

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## J. BUSINESS ARISING FROM DELEGATIONS

**K. RESOLUTION TO CLOSE MEETING**

*Note: The Board must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.*

That the GVSDD Board close its meeting scheduled for February 24, 2023 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

- 90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
- (e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality.

**L. RISE AND REPORT (Items Released from Closed Meeting)**

**M. ADJOURNMENT/CONCLUSION**

That the GVS&DD Board adjourn/conclude its meeting of February 24, 2023.

**GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT  
BOARD OF DIRECTORS**

Minutes of the Regular Meeting of the Greater Vancouver Sewerage and Drainage District (GVS&DD) Board of Directors held at 9:10 am on Friday, January 27, 2023, in the 28<sup>th</sup> Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

**MEMBERS PRESENT:**

Delta, Chair, Director George V. Harvie\*  
 Anmore, Vice Chair, Director John McEwen  
 Burnaby, Director Pietro Calendino  
 Burnaby, Director Sav Dhaliwal  
 Burnaby, Director Mike Hurley  
 Coquitlam, Director Craig Hodge  
 Coquitlam, Director Teri Towner  
 Delta, Director Dylan Kruger  
 Electoral Area A, Director Jen McCutcheon  
 Langley City, Director Paul Albrecht  
 Langley Township, Director Eric Woodward  
 Langley Township, Director Steve Ferguson\*  
 Maple Ridge, Director Dan Ruimy  
 New Westminster, Director Patrick Johnstone  
 North Vancouver City, Director Linda Buchanan  
 North Vancouver District, Director Lisa Muri  
 Pitt Meadows, Director Nicole MacDonald  
 Port Coquitlam, Director Brad West  
 Port Moody, Director Meghan Lahti

Richmond, Director Malcolm Brodie  
 Richmond, Director Bill McNulty  
 Richmond, Director Chak Au  
 Surrey, Director Linda Annis  
 Surrey, Director Harry Bains  
 Surrey, Director Gordon Hepner  
 Surrey, Director Pardeep Kooner  
 Surrey, Director Brenda Locke  
 Surrey, Director Rob Stutt  
 Vancouver, Director Rebecca Bligh  
 Vancouver, Director Adriane Carr  
 Vancouver, Director Lisa Dominato  
 Vancouver, Director Sarah Kirby-Yung  
 Vancouver, Director Mike Klassen  
 Vancouver, Director Ken Sim  
 Vancouver, Director Lenny Zhou  
 West Vancouver, Director Mark Sager  
 White Rock, Director Megan Knight  
 Commissioner Jerry W. Dobrovolny  
 (Non-voting member)

**MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Jerry W. Dobrovolny, Chief Administrative Officer  
 Dorothy Shermer, Deputy Corporate Officer  
 Morgan Mackenzie, Legislative Services Coordinator, Board and Information Services

\* denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

**A. ADOPTION OF THE AGENDA**

**1. January 27, 2023 Meeting Agenda**

**It was MOVED and SECONDED**

That the GVS&DD Board adopt the agenda for its meeting scheduled for January 27, 2023 as circulated.

**CARRIED**

**B. ADOPTION OF THE MINUTES**

**1. October 28, 2022 Meeting Minutes**

**It was MOVED and SECONDED**

That the GVS&DD Board adopt the minutes for its meeting held October 28, 2022 as circulated.

**CARRIED**

**C. DELEGATIONS**

No items presented.

**D. INVITED PRESENTATIONS**

No items presented.

**E. CONSENT AGENDA**

No items presented.

**F. ITEMS REMOVED FROM THE CONSENT AGENDA**

No items presented.

**G. REPORTS NOT INCLUDED IN CONSENT AGENDA**

No items presented.

**H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN**

No items presented.

**I. OTHER BUSINESS**

No items presented.

**J. BUSINESS ARISING FROM DELEGATIONS**

No items presented.

**K. RESOLUTION TO CLOSE MEETING**

**It was MOVED and SECONDED**

That the GVS&DD Board close its meeting scheduled for January 27, 2023 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (g) litigation or potential litigation affecting the municipality; and
- (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

**CARRIED**

**L. RISE AND REPORT (Items Released from Closed Meeting)**

No items presented.

**M. ADJOURNMENT/CONCLUSION**

**It was MOVED and SECONDED**

That the GVS&DD Board adjourn its meeting of January 27, 2023.

**CARRIED**

(Time: 9:10 am)

CERTIFIED CORRECT

\_\_\_\_\_  
Dorothy Shermer, Deputy Corporate Officer

\_\_\_\_\_  
George V. Harvie, Chair

57817748 FINAL

## METRO VANCOUVER JOINT BOARDS SPECIAL MEETING

Minutes of the Special Joint Meeting of the Metro Vancouver Regional District (MVRD), the Greater Vancouver Water District (GVWD), the Greater Vancouver Sewerage and Drainage District (GVS&DD), and the Metro Vancouver Housing Corporation (MVHC) Board of Directors held at 9:04 am on Friday, February 3, 2023, in the 28<sup>th</sup> Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

### MEMBERS PRESENT:

Delta, Chair, Director George V. Harvie	Port Moody, Director Meghan Lahti
Anmore, Vice Chair, Director John McEwen (departed at 12:03 pm)	Richmond, Director Malcolm Brodie
Belcarra, Director Jamie Ross	Richmond, Director Bill McNulty
Bowen Island, Director Andrew Leonard	Richmond, Director Chak Au
Burnaby, Director Pietro Calendino	Surrey, Director Linda Annis
Burnaby, Director Sav Dhaliwal (departed at 10:58 am)	Surrey, Director Harry Bains
Burnaby, Director Mike Hurley (arrived at 9:08 am; departed at 10:56 am)	Surrey, Director Gordon Hepner
Coquitlam, Director Craig Hodge (departed at 11:52 am)	Surrey, Director Pardeep Kooner
Coquitlam, Director Teri Towner	Surrey, Director Brenda Locke
Delta, Director Dylan Kruger	Surrey, Director Rob Stutt
Electoral Area A, Director Jen McCutcheon	Tsawwassen, Chief Laura Cassidy*
Langley City, Director Paul Albrecht	Vancouver, Director Rebecca Bligh* (arrived at 10:17 am)
Langley Township, Director Eric Woodward	Vancouver, Director Adriane Carr (arrived at 9:11 am)
Langley Township, Director Steve Ferguson*	Vancouver, Director Lisa Dominato
North Vancouver City, Director Linda Buchanan	Vancouver, Director Sarah Kirby-Yung (arrived at 9:25 am)
North Vancouver District, Director Lisa Muri	Vancouver, Director Mike Klassen
Pitt Meadows, Director Nicole MacDonald	Vancouver, Director Lenny Zhou
Port Coquitlam, Director Brad West (arrived at 9:25 am; departed at 11:30 am)	West Vancouver, Director Mark Sager
	White Rock, Director Megan Knight (departed at 12:06 pm)

### MEMBERS ABSENT:

Lions Bay, Director Ken Berry  
 Maple Ridge, Director Dan Ruimy  
 New Westminster, Director Patrick Johnstone  
 Vancouver, Director Ken Sim

### STAFF PRESENT:

Jerry W. Dobrovolny, Chief Administrative Officer  
 Dorothy Shermer, Deputy Corporate Officer  
 Rapinder Khaira, Legislative Services Coordinator, Board and Information Services

\* denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

**A. ADOPTION OF THE AGENDA**

**1. February 3, 2023 Special Joint Board Meeting Agenda**

**It was MOVED and SECONDED**

That the MVRD, MVHC, GVWD, and GVS&DD Board adopt the agenda for its special joint meeting scheduled for February 3, 2023 as circulated.

**CARRIED**

**B. PRESENTATION AND DISCUSSION**

**1. Board Orientation to Service Areas**

Jerry W. Dobrovolny, Chief Administrative Officer, provided members with an overview of Metro Vancouver Regional District's role as a regional federation, its history, mission, management plans, previous strategic plan themes, and reflections on the last board term.

*Project Delivery Services*

Cheryl Nelms, General Manager, Project Delivery provided an overview of the Project Delivery department, its project and portfolio management, project estimating framework, integrated asset management, and quality management.

9:08 am Director Hurley arrived at the meeting.

9:11 am Director Carr arrived at the meeting.

*Water Services*

Marilyn Towill, General Manager, Water Services, provided an overview of Metro Vancouver's Water System, roles and responsibilities of Metro Vancouver's Water Services, its regulatory environment, guiding strategic plans and initiatives, the Drinking Water Management Plan, climate action, future planning, growth expectations, and reconciliation initiatives.

9:25 am Director Kirby-Yung and Director West arrived at the meeting.

*Liquid Waste Services*

Peter Navratil, General Manager, Liquid Waste Services, provided a presentation on Metro Vancouver's Liquid Waste System, its historical evolution, environmental regulations, direction of plans and policies, inflow and infiltration, innovation and continuous improvement, sewer heat opportunities, major projects and service objectives.



*Solid Waste Services*

Paul Henderson, General Manager, Solid Waste Services, provided a presentation on Metro Vancouver's role in advancing Zero Waste and the circular economy, its Solid Waste Facilities, guiding policy and targets, integrated Solid Waste and Resource Management Plan, Solid Waste Management Plan update process, National Zero Waste Council, Zero Waste Conference, United Boulevard and Central Surrey Recycling and Waste Centers, recycling depot development, residuals management, Waste-to-Energy facility projects, and Waste-to-Energy Facility district energy.

*Metro Vancouver Housing*

Heather McNell, Deputy Chief Administrative Officer, provided a presentation on an overview of Metro Vancouver's Housing Portfolio, Housing opportunities, vision and guiding principles, the Metro Vancouver Housing 10-Year Plan, redevelopment priorities, expanding services through member partnerships, service areas and partners, continuous improvement, and maximizing impact.

10:17 am Director Bligh arrived at the meeting.

*Regional Parks*

Neal Carley, General Manager, Parks and Environment, provided an overview of Metro Vancouver's Regional Parks, priorities, mission, Regional Parks annual visit statistics, guiding plan, Regional Greenway Network, planning and resource management, asset management, and visitor services.

10:56 am Director Hurley departed the meeting.

10:58 am Director Dhaliwal departed the meeting.

*Regional Planning*

Heather McNell, Deputy Chief Administrative Officer, provided an overview on the core services of Regional Planning, regional growth, long-term planning to build resilience, regional planning principles, and Metro 2050.

*Air Quality*

Neal Carley, General Manager, Parks and Environment, provided an overview on Metro Vancouver's air quality monitoring stations, core guiding plans, regional emissions, Climate 2050 Roadmaps, GHG reduction projections, the Clean Air Plan, regulatory approach, regulation development, air quality advisories, and Sustainability Innovation Fund approvals.

*Invest Vancouver*

Jacque Griffiths, President, Invest Vancouver, provided a presentation on Metro Vancouver's regional economy, its challenges, foreign direct investment opportunities, the benefits of approaching economic development as a region, integrated functions of the Invest Vancouver department, 2022 highlights, and 2023 annual plan.

11:30 am Director West departed the meeting.

*Electoral Area A*

Marcin Pachcinski, Division Manager, Electoral Area A, provided an overview of Electoral Area A, Metro Vancouver’s responsibilities for local land use planning, building inspection, and emergency management planning.

*Financial Services*

Dean Rear, Chief Financial Officer, provided an overview of the Financial Plan, financial planning processes, Board direction from the April 2021 workshop for the 2022 Budget Year, budget cycles, current goals and objectives, 2023 budget outcomes, breakdown of 2023 budget impacts, household impact forecasts, Metro Vancouver’s financial structure, operating budget expenditures, capital program funding, debt operations, 2023 – 2027 Capital Plan Project counts and rankings, long-term financial plan, affordability, and next steps for the Finance Committee and Financial Plan Task Force.

11:52 am Director Hodge departed the meeting.

12:03 pm Vice Chair McEwen departed the meeting.

12:06 pm Director Knight departed the meeting.

**C. ADJOURNMENT/CONCLUSION**

**It was MOVED and SECONDED**

That the MVRD/MVHC/GVWD/GVS&DD Board conclude its special joint meeting of February 3, 2023.

**CARRIED**

(Time: 12:15 pm)

CERTIFIED CORRECT

\_\_\_\_\_  
Dorothy Shermer, Deputy Corporate Officer

\_\_\_\_\_  
George V. Harvie, Chair

57833587 FINAL

To: Liquid Waste Committee

From: Paul Kadota, Director, Policy, Planning and Analysis, Liquid Waste Services

Date: January 30, 2023 Meeting Date: February 8, 2023

Subject: **Recommended Wet Weather Cost Apportionment Approach**

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### **RECOMMENDATION**

That the GVS&DD Board:

- a) direct staff to prepare amendments to *Cost Apportionment Bylaw 283, 2014* for its consideration in accordance with the key terms described in the report dated January 30, 2023, titled “Recommended Wet Weather Cost Apportionment Approach”; and
  - b) initiate wet weather cost apportionment in the 2024 billing cycle to be implemented incrementally over ten years.
- 

### **EXECUTIVE SUMMARY**

High levels of rainfall derived inflow and infiltration (I&I) getting into public and private sewers are compromising the capacity of municipal and regional sewerage systems. This can cause wet weather Sanitary Sewer Overflows (SSOs) and Combined Sewer Overflows (CSOs), increasing risks to human and environmental health as well as the collective reputation of public utility management. SSOs are non-compliance events and reported to regulatory authorities.

To incent action on excessive I&I, on October 29, 2021, the GVS&DD Board endorsed “amendments to the Cost Apportionment Bylaw to enable the division of the GVS&DD levy into separate dry and wet weather components and issue a separate requisition for each component”. Various options for wet weather pricing were developed by staff and the recommended approach, informed by municipal feedback through a working group and advisory committees, is to phase wet weather pricing incrementally over a ten-year period commencing with requisitions to be issued in spring 2024.

### **PURPOSE**

To provide the GVS&DD Board with the recommended approach for wet weather cost apportionment and request direction to make commensurate adjustments to *Cost Apportionment Bylaw 283, 2014*.

### **BACKGROUND**

I&I is stormwater and groundwater that enters sanitary sewage systems through improper connections, like downspouts and sump pumps (inflow), and groundwater that enters through cracks and leaky pipe joints (infiltration). The region also has combined sewers that were historically installed to carry both sanitary and stormwater flows, many of which currently operate alongside newer installations that have separated sewers susceptible to the entry of rainwater.

When an excessive amount of I&I enters the regional sewer system, it takes up sewer capacity that can otherwise be used to accommodate the wastewater servicing needs of a rapidly growing region. During wet weather, these additional flows from I&I and/or combined flows contribute to wet weather SSOs and CSOs as sewer capacity becomes overloaded, with risks to human and environmental health. SSOs have a requirement to be immediately reported to the federal and provincial governments, regional health authorities and associated municipalities. Public notification of SSOs are also required.

The current approach to regional cost allocation for wastewater services does not adequately reflect the full financial, environmental and social costs associated with excessive wet weather flows and is inequitable considering that GVS&DD members with excessive wet weather flow are effectively being subsidized by other members. Wet weather pricing, more accurately termed “wet weather cost apportionment” in the regional legislative context, is one of the key tools being proposed to incent rapid action on I&I management by better reflecting the full regional costs associated with wet weather flow.

On October 29, 2021, the GVS&DD endorsed “amendments to the Cost Apportionment Bylaw to enable the division of the GVS&DD levy into separate dry and wet weather components and issue a separate requisition for each component.” A staff report outlining the proposed approach to develop recommendations for wet weather pricing approach was provided to the Liquid Waste Committee at its meeting of March 9, 2022 (see Reference). Since that time, Metro Vancouver staff have liaised with a working group of the Regional Engineers Advisory Committee’s (REAC) Liquid Waste Subcommittee to provide guidance and feedback during the development of the wet weather pricing approach. The approach recommended by staff was provided to REAC on November 4, 2022 and to RAAC on January 19, 2023.

### **OVERVIEW AND RECOMMENDATION**

A variety of options were explored for the development of wet weather pricing and key principles noted below were factored into development of the options:

- “Pay for what you use”;
- No net change in revenue to Metro Vancouver; and
- Temporary relief for members with combined sewer systems.

Utilizing these principles, Metro Vancouver staff took an iterative approach and developed options involving the following two parameters:

- Wet weather implementation phasing-in periods (e.g., 10 to 50 years) and;
- Percentile of flows that are deemed as wet weather flows (e.g., 50<sup>th</sup> – 75<sup>th</sup>).

Several discussions were had throughout the development of options, involving municipal staff (engineers, finance, administrators) and the feedback received from members through the various forums are summarized as follows:

- There was general, but not complete, consensus that the “user pay” model is fair.
- Some members expressed strong support for wet weather pricing and asked to have it implemented as soon as possible.

- Some combined members preferred to have a full exemption from wet weather pricing while they focus their efforts on sewer separation.
- Some members noted that apportionment of regionally-shared costs should be excluded [there will be no reapportionment across sewerage areas].
- Some separated members felt it was inequitable if combined members received an exemption or even a delayed implementation of wet weather pricing. Their preference was to have the same phasing in timelines for both separated and combined members.
- Separated members acknowledged there could be acute financial challenges for combined members due to their ongoing sewer separation costs.
- Some members expressed concerns around how implications from wet weather pricing will impact their own I&I reduction programs.
- Some members expressed interest in a periodic review of wet weather pricing.
- Some members preferred rapid implementation of wet weather billing commencing in 2023, while others preferred deferral commencing in 2024.

Based on consolidation of the feedback, the following approach reflecting the balance of the feedback is recommended for implementing wet weather pricing:

Combined Members		Separated Members	
Phasing in time (years)	Flows Percentile	Phasing in time (years)	Flows Percentile
10	60 <sup>th</sup>	10	75 <sup>th</sup>

Key points for this option include:

- Phasing-in of wet weather pricing over ten years for both separated and combined members,
- Wet weather pricing based on the 60<sup>th</sup> and 75<sup>th</sup> percentile flows for members with significant remaining combined systems and separated members, respectively
- Regionally-shared costs (e.g., Tier 2 costs for secondary treatment) are excluded from wet weather pricing.

Based on the need for immediate action at the source on I&I to reduce SSOs, along with reduction of wet weather flows from combined areas, the proposal is to initiate wet weather pricing in the spring of 2024 and phase in over ten-years.

**ALTERNATIVES**

1. That the GVS&DD Board:
  - a) direct staff to prepare amendments to *Cost Apportionment Bylaw 283, 2014* for its consideration in accordance with the key terms described in the report dated January 30, 2023, titled “Recommended Wet Weather Cost Apportionment Approach”; and
  - b) initiate wet weather cost apportionment in the 2024 billing cycle to be implemented incrementally over ten years.

2. That the GVS&DD Board:
  - a) direct staff to prepare amendments to *Cost Apportionment Bylaw 283, 2014* for its consideration in accordance with the key terms described in the report dated January 30, 2023, titled “Recommended Wet Weather Cost Apportionment Approach”; and
  - b) initiate wet weather cost apportionment in the 2023 billing cycle to be implemented incrementally over ten years.
  
3. That the GVS&DD Board receive for information the report dated January 30, 2023, titled “Recommended Wet Weather Cost Apportionment Approach” and provide alternate direction to staff.

**FINANCIAL IMPLICATIONS**

The proposal has no financial implications for Metro Vancouver as the total revenue would remain the same as it would be without wet weather cost apportionment.

Changes in allocations to individual municipal members range from an estimated fee reduction over the 10-year phase-in period of about 14% through to an increase of about 25% (see Attachment). This preliminary information is only generally indicative of potential future fee allocations as it is based upon historical datasets up to June 30, 2021. The next set of requisitions to be issued in spring 2023 would incorporate newer flow metering data for the period from July 1, 2021 to June 30, 2022.

**CONCLUSION**

Metro Vancouver is proposing changes to the apportionment of costs within a sewerage area to provide GVS&DD members a meaningful incentive to manage wet weather flows. A recommended option is presented, balancing member feedback, reflecting phased implementation over ten years starting with the 2024 billing cycle. Upon GVS&DD Board approval, staff will prepare proposed amendments to GVS&DD *Cost Apportionment Bylaw 283, 2014* that reflect wet weather cost apportionment on the recommended schedule.

Staff recommend Alternative 1.

**Attachment**

Summary of Financials for Presented Approach

**Reference**

[Development of a Wet Weather Pricing Approach](#), report dated February 14, 2022

56690484

## Summary of Financials for Presented Approach

<b>GVS&amp;DD Member</b>	<b>2022 Levy (\$)</b>	<b>Future Levy* (\$)</b>	<b>% Change over 10 yrs</b>
City of Burnaby	29,838,017	27,660,411	(7.3%)
City of Coquitlam	13,923,535	14,131,970	1.5%
City of Delta	9,008,835	10,203,896	13.3%
City of Langley	2,040,395	2,152,036	5.5%
Langley Township	10,344,072	9,391,084	(9.2%)
City of Maple Ridge	8,190,012	7,982,284	(2.5%)
City of New Westminister	11,225,358	11,636,236	3.7%
City of North Vancouver	7,971,747	7,165,423	(10.1%)
District of North Vancouver	13,327,918	14,094,844	5.8%
City of Pitt Meadows	1,652,675	1,423,502	(13.9%)
City of Port Coquitlam	6,076,032	6,162,431	1.4%
City of Port Moody	2,553,053	3,200,771	25.4%
City of Richmond	28,681,273	28,239,663	(1.5%)
City of Surrey	56,564,465	56,061,804	(0.9%)
University Endowment Lands	623,851	258,135	(58.6%)
UBC (non-member)	2,027,499	1,682,975	(17.0%)
City of Vancouver	86,819,138	89,451,698	3.0%
District of West Vancouver	8,743,505	8,782,903	0.5%
City of White Rock	1,813,307	1,742,621	(3.9%)

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To: Zero Waste Committee

From: Paul Henderson, General Manager, Solid Waste Services  
George Kavouras, Acting Director, Procurement

Date: February 2, 2023 Meeting Date: February 9, 2023

Subject: **Award of Contract from RFP No. 22-186: Municipal Solid Waste Contingency Disposal Services**

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### **RECOMMENDATION**

That the GVS&DD Board:

- a) approve award of three (3) separate, five (5) year contracts, resulting from Request for Proposals No. 22-186: Municipal Solid Waste Contingency Disposal Services as follows:
  - i. GFL Environmental Inc. in the amount of up to \$47,330,000 (exclusive of taxes);
  - ii. Republic Services in the amount of up to \$44,720,000 (exclusive of taxes);
  - iii. Waste Management of Canada Corporation in the amount of up to \$48,510,000 (exclusive of taxes); and,
- b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the awards should proceed.

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### **EXECUTIVE SUMMARY**

Despite the region's success in reducing waste, approximately 1,000,000 tonnes of garbage require disposal each year. Garbage in excess of what can be managed at the Waste-to-Energy Facility and the Vancouver Landfill is sent to remote contingency disposal. Contingency disposal requirements over the last three years have ranged from 35,000 tonnes to 145,000 tonnes per year. This report recommends entering into three (3) separate contingency disposal contracts for the term of 2023 to 2028 with each contract's minimum disposal quantity set at 10,000 tonnes per year. Quantities for each contract beyond 10,000 tonnes per year would be determined based on regional garbage quantities, contract price and availability. Three (3) separate contingency disposal contractors ensures that all regional garbage can be managed with quantities fluctuating on an annual basis. The cost of the region's solid waste system, including contingency disposal, is funded through garbage tipping fees, with higher contingency disposal requirements corresponding with higher tipping fee revenues. Expected contingency disposal costs can be accommodated within the approved Solid Waste Services budget and the five-year financial plan.

### **PURPOSE**

The purpose of this report is inform the Zero Waste Committee and GVS&DD Board of the results of Request for Proposals No. 22-186: Municipal Solid Waste Contingency Disposal Services and to recommend the award of three (3) separate contracts to (1) GFL Environmental Inc. in an amount up to \$47,330,000 (exclusive of taxes), (2) Republic Services in an amount up to \$44,720,000 (exclusive of taxes), and (3) Waste Management of Canada Corporation in an amount up to \$48,510,000 (exclusive of taxes).



## **BACKGROUND**

Pursuant to the *Greater Vancouver Sewerage and Drainage District Officers and Delegation Bylaw No. 284, 2014* (Bylaw) and the *Procurement and Real Property Contracting Authority Policy* (Policy), procurement contracts which exceed a value of \$5 million require the approval of the GVS&DD Board of Directors.

Following a request for qualifications, Metro Vancouver issued RFP No. 22-186: Municipal Solid Waste Contingency Disposal Services. This report recommends entering into three (3) separate contracts with GFL Environmental Inc., Republic Services, and Waste Management of Canada Corporation.

## **CONTINGENCY DISPOSAL**

Metro Vancouver is a North American leader in waste reduction and recycling with a recycling rate of 65% and per capita disposal of 0.45 tonnes per person. Nonetheless, Metro Vancouver's six recycling and waste centres, the Waste-to-Energy Facility and the Vancouver Landfill receive approximately 1,000,000 tonnes per year of garbage with quantities fluctuating annually. A significant factor in annual fluctuations is the amount of garbage received from construction and demolition recycling facilities, with those facilities sending some garbage to alternative disposal facilities.

The Vancouver Landfill and Waste-to-Energy Facility are both limited with respect to the amount of garbage that can be managed each year. Any additional waste is sent for remote disposal through contingency disposal contracts.

Following a competitive process, Metro Vancouver entered into contingency disposal contracts with Republic Services and Waste Management of Canada Corporation in 2017. Those contracts expired in 2021 with extensions entered into while a competitive process was underway.

A Request for Qualifications (RFQ) was issued on December 10, 2021 and closed on January 21, 2022. Responses were received from seven companies and these were shortlisted to GFL Environmental Inc., Republic Services, and Waste Management of Canada Corporation. A Request for Proposals (RFP No. 22-186) was issued to the three shortlisted companies requesting a minimum guaranteed annual quantity of waste of 10,000 tonnes per contract per year. RFP No. 22-186 was issued on October 13, 2022 and closed November 18, 2022. The request for proposals was for a five-year period with an option for two (2) one-year extensions. Responses were received from the three shortlisted proponents.

The three proponents use landfills in eastern Washington, eastern Oregon and central British Columbia. All three landfills are permitted under local regulatory frameworks. Transportation to the remote landfills is based on a combination of trucking and rail haul from intermodal yards. The trucking systems employed by all three contractors are primarily diesel based, the current standard in the heavy trucking industry. Over the course of the contracts, Metro Vancouver will work with each contractor to explore and implement low carbon options.

## **ALTERNATIVES**

1. That the GVS&DD Board:
  - a) approve award of three (3) separate, five (5) year contracts, resulting from Request for Proposals No. 22-186: Municipal Solid Waste Contingency Disposal Services as follows:
    - i. GFL Environmental Inc. in the amount of up to \$47,330,000 (exclusive of taxes);
    - ii. Republic Services in the amount of up to \$44,720,000 (exclusive of taxes);
    - iii. Waste Management of Canada Corporation in the amount of up to \$48,510,000 (exclusive of taxes); and,
  - b) authorize the Commissioner and the Corporate Officer to execute the required documentation once the Commissioner is satisfied that the awards should proceed.
2. That the Zero Waste Committee receive the report dated February 2, 2023, titled “Award of Contract from RFP No. 22-186: Municipal Solid Waste Contingency Disposal Services” for information and provide alternate direction to staff.

## **FINANCIAL IMPLICATIONS**

If the Board approves Alternative 1, contracts with GFL Environmental Inc., Republic Services, and Waste Management of Canada Corporation will be entered into to provide contingency disposal services for the next five years.

Over the last three years, annual contingency disposal requirements have ranged from 35,000 to 145,000 tonnes. Metro Vancouver’s experience is that individual contractor’s ability to scale up hauling with fluctuating demands may be impacted by transportation systems etc. On this basis, utilizing three contractors ensures that the region’s garbage can be managed effectively. Each contract will be based on a minimum 10,000 tonnes per year. Actual requirements for each company beyond the minimum 10,000 tonnes per year per contract will depend on Metro Vancouver’s requirements, and contractor price and availability.

Five-year contract values for GFL Environmental Inc., Republic Services, and Waste Management of Canada Corporation are valued at up to \$47,330,000, \$44,720,000, and \$48,510,000 respectively, inclusive of a 10% contingency. Republic Services, and Waste Management of Canada Corporation submitted their bids in US dollars and these have been converted to Canadian dollars based on projected exchange rates which are subject to change.

The contingency disposal contracts will be adjusted for inflation annually on January 1, commencing in 2024 as per the formula defined in the Request for Proposals. The inflation adjustment factor consists of a seventy five percent weighting to the Vancouver consumer price index and a twenty five percent weighting to the diesel fuel index.

Funding for the regional solid waste system is through garbage tipping fees. Higher contingency disposal requirements correspond with higher tipping fee revenues. Consequently, varying annual waste quantities have limited impact on the solid waste system financial outcomes. Expected contingency disposal costs can be accommodated within the approved Solid Waste Services budget and the five-year financial plan.

**CONCLUSION**

Metro Vancouver initiated a two-step procurement processes in 2021 to provide contingency disposal: an initial request for qualifications to shortlist proponents followed by a request for proposals for services for five-year agreements. Three proposals were shortlisted and proposals were received from all three. Staff recommend Alternative 1, that the Board approve entering into five-year disposal contracts GFL Environmental Inc., Republic Services, and Waste Management of Canada Corporation of up to \$47,330,000, \$44,720,000 and \$48,510,000, respectively.

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**COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES**

Greater Vancouver Sewerage and Drainage District  
Board Meeting Date – Friday, February 24, 2023

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This information item, listing recent information received by committee, is provided for the GVS&DD Board's information. Please access a complete PDF package [here](#).

**Liquid Waste Committee – February 8, 2023***Delegations:*

No delegations presented

*Information Items:*

5.2 2022 "Wipe It, Green Bin It" Campaign Results

**Zero Waste Committee – February 9, 2023***Delegation Summaries:*

No delegations presented

*Information Items:*

5.1 2021 Solid Waste and Recycling Annual Report

5.2 Solid Waste Management Plan Update – Vision and Guiding Principles Engagement

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