

MINUTES

CORPORATE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

18 FEB 1997

3:00 P.M.

PRESENT

Chair: P. Clark

Members: B. Hill, P. Hume, G. Hunter, A. Loney, B. McGarry

ABSENT

W. Stewart, R. van den Ham, M. Bellemare

(Councillor Bellemare was in attendance, however, left the meeting due to a declared conflict of interest on Item No. 1)

CONFIRMATION OF MINUTES

**That the Corporate Services and Economic Development Committee confirm the Regular (Budget) and Confidential Minutes of the 21 January 1997 meeting and Regular Minutes of the 04 February 1997 meeting.**

CARRIED

POSTPONEMENTS AND DEFERRALS

1. THREE-YEAR BIOSOLIDS HAULING AND BENEFICIAL USE PROGRAMME - CONTRACT NO.: CS-7800  
(Referred from the Committee meeting of 04 Feb 97)
  - Committee Co-ordinator's report dated 13 Feb 97
  - Environment and Transportation Commissioner's report dated 17 Feb 97

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Notes: 1. Underlining indicates new or amended recommendations approved by Committee.  
2. Reports (Item Nos. 1, 3 and 4) will be presented to Council on 26 Feb 97 in Corporate Services and Economic Development Committee Report Number 53. Remaining reports (Item Nos. 2, 5, 6, 7, 8 and 9) will be presented to Council on 12 Mar 97.

Councillor Bellemare declared a potential conflict of interest in that he was presently negotiating terms of employment with the law firm present and representing Mr. de Kemp. The Councillor left the meeting.

Mr. Philip de Kemp, de Kemp & Associates. Mr. de Kemp expressed his appreciation for the Committee's endorsement to ensure the first requirement, the holding of an interview, under the Request for Proposal (RFP) was adhered to. However, Mr. de Kemp, referencing a letter from his solicitor and other contractors, stated the Terratec Environmental bid was indeed qualified and therefore should be deemed irregular. He noted it was not possible for the Committee to accept the bid as a qualified bid as that would set the precedent with respect to cross-subsidization. Mr. de Kemp reminded Committee of their obligation to maintain public trust in the tender process.

In speaking to the contracts, Mr. de Kemp noted the programme called for two separate contracts with two different numbers. Mr. de Kemp acknowledged his company did not have experience in biosolids, however, used the analogy that Councillors did not have political experience prior to being elected, but brought many other areas of experience and ability to the position.

Mr. de Kemp acknowledged staff comment that they reserved the right to pick and choose proponents that were stand alone proposals. However, he pointed out the RFP did not reflect that, but stated they had the right to select Item No. 1, hauling, or Item No. 2, land application, of a proposal. He further noted the Price Schedule of the RFP only provided columns for Item No. 1 and Item No. 2, and omitted a third column for a combined bid.

Speaking to the ability to deliver, Mr. de Kemp stated Terratec was contractually obligated in 1996 to land apply 18,000 tonnes, but only delivered on 11,000 tonnes. He further stated staff waived the contractual obligation as the contractors could not guarantee their proposals during the pilot project. Mr. de Kemp disagreed and stated there were contractors that could and continually guaranteed delivery. He questioned the need for bonding issues in place if obligations were to be waived.

Councillor Hunter believed one issue of the problem as indicated at the 4 Feb 97 meeting was which of the two companies could foremost fulfil the contract. The Councillor stated he was concerned that de Kemp & Associates had not been given the chance to verbally present their proposal and had not received an evaluation on the storage procedures previously demonstrated. In response to a question from Councillor Hunter regarding the interview and subsequent staff report dated 17 February 1997, Mr. de Kemp reviewed the evaluation scores and questioned the methodology used.

Mr. Graeme King, Solicitor for R.W. Tomlinson Limited. Mr. King began by stating if Committee approved the staff recommendation, they would be recommending an irregular bid. Mr. King referenced the staff opinion that there were three options under the RFP, however, argued Paragraph 1.0 did not indicate the option of a combined bid. He reported R.W. Tomlinson submitted a bid for the hauling and a bid for the spreading and were prepared to carry out each portion if recommended. However, it was their interpretation they could bid on both but could not combine or make one contingent on the other, thereby having a qualified bid. Mr. King referenced the RFP, Price Schedule, and reiterated the omission of a third column for the price for both hauling and spreading. He believed Paragraph 3.0 of the RFP implied the different components of the contract could be awarded to different persons but did not state it could be a combined bid. Lastly, Mr. King referenced Paragraph 14 of the Guidelines for Tenders which stated the bid should not be qualified. Mr. King indicated the successful bid was qualified as they were not prepared to carry out the hauling contract at \$3.15 alone. In closing, the solicitor stated local contractors, when preparing submissions, did not consider a RFP any different than a tender document and the rules applied to both. Mr. King suggested the awarding of an irregular bid would undermine the tender process, and ultimately encourage irregular bids.

Mr. Phil Sidhwa, Terratec Environmental Ltd. Mr. Sidhwa reviewed Terratec Environmental Limited's experience, knowledge and extensive history of similar projects ongoing with other municipalities in Ontario for both biosolids management services and storage facilities. The speaker further reviewed the equipment and systems used by the company during the implementation of their contracts and stated it was their intent to portray Ottawa-Carleton's showcase programme at the forefront of biosolids internationally.

In speaking to the statements made at the 4 February meeting regarding the Terratec proposal, Mr. Sidhwa reviewed the following:

1. Delivery during 1996 and Ability to Deliver: Mr. Sidhwa reported Terratec applied more biosolids in 1996 than was ever spread in Ottawa's pilot project and that the volume standard of 18,000 was not set by the company, but Regional staff. Mr. Sidhwa noted a different hauler was previously used who had some discretion on when to go to the landfill site or to the field as he was paid the same price. Speaking to the programme, Mr. Sidhwa reviewed the programme management benefits to having the same contractor provide both haulage and land application. In addition, Mr. Sidhwa pointed out in 1996 the Region experienced a record amount of rainfall in particular in April and September, two of the critical periods for the field application. The speaker reviewed the hazards for both the farmer

and programme associated with applying during the wet season. Mr. Sidhwa emphasized they did and continued to have the ability to meet the capacity.

2. **Storage Systems Available:** Mr. Sidhwa stated there was not only one system available, as implied on 4 Feb 97, and noted that in North America biosolids have traditionally been stored in lagoons, concrete tanks and steel tanks among other technologies that had been tested over time. He referenced the tarpaulins storage system for onsite storage which was tested in 1996 and met the Ministry of Environment and Energy standards. Mr. Sidhwa informed the Committee that Terratec did not charge the Region for the extra work involved in conducting the tests.
3. **Low Price for Haulage in Proposal:** Mr. Sidhwa reported the Terratec proposal was based on a combined bid whereby each component was not offered separately. He explained their profession was biosolids management and noted the specialized haulage and transfer system equipment was not compatible with other spreading systems. Mr. Sidhwa further explained the hauling and spreading package was designed to work together from a technical perspective and would not function properly with other spreading systems. Mr. Sidhwa suggested the Region may have been paying too much for hauling with the previous contract and believed competitiveness based on price, skill, experience and ability was a fundamental tenant of a free market economy.
4. **Higher Price for Interim Contract:** Mr. Sidhwa explained for short term contracts, prices were higher as specialized equipment was brought on site, training required and start up costs were are not deferred over a longer period. He pointed out the longer term contracts provided lower costs due to the larger amortization period for capital equipment.
5. **RFP Set up:** Mr. Sidhwa stated the document was well written and noted it was the nature of RFP's to seek out innovative concepts and creative methodologies and technologies to enable maximum value at the lowest cost.
6. **Professionalism of Regional Staff:** Mr. Sidhwa commented on the professional ethic and standards that Regional staff portrayed with regard to maintaining confidentiality and the integrity of the system. He stated the wrongful allegations of a breach in trust were not substantive.

In closing, Mr. Sidhwa reviewed the past successful pilot project. He addressed topics that had been achieved over the past three years, such as experience, understanding, and key relationships with parties involved such as farmers and the Ministry.

Councillor McGarry inquired if the Terratec bid of \$3.15 was qualified. Mr. Sidhwa referenced contracts used by other municipalities, and pointed out they requested only one price, with their prices on hauling portions ranging from \$4.80 - \$5.00\ cubic metre for two particular contracts. Mr. Sidhwa confirmed they were not prepared to have the haulage bid stand on its own. He noted their primary interest in the programme was the biosolids management component, and the hauling bid enabled them to deliver the product to the sites. Councillor McGarry inquired if it was not considered a cross-subsidization. Mr. Sidhwa stated when the proposal was prepared, the overall cost and expense was reviewed to determine the price per tonne. He stated it was not considered a cross-subsidized bid, but a business decision to propose a combined bid for the advantages and benefits previously described. Mr. Sidhwa pointed out it was not beneficial to have an unrealistic low price for hauling as it would not cover the associated costs.

Councillor Loney referenced the issue of a qualified bid. E. Johnston, Deputy Solicitor, stated it was not a qualified bid and was pursuant to the RFP. He explained the Terratec bid was a proposal to provide the service called for which combined the land application with the haulage. Councillor Loney stated that after reviewing the entire documentation, he agreed with and moved the staff recommendation. He believed the Terratec bid was not a qualified bid but one that took advantage of what was in the call for proposal. Councillor Loney suggested there was room for improvement and clarity in the RFP document for the future.

N. Schepers, Director, Water Environment Protection Division, referenced the Price Schedule and explained they requested two prices (one for hauling and one for land application) because while hauling would be required for the entire biosolids production, the land application quantity was to be specified by the proponent and was likely to be less than the full production. She stated for purposes of payment administration, it was necessary to have prices for both components of the programme.

Councillor McGarry praised the work and ability of both Terratec Environmental Ltd. and de Kemp & Associates. The Councillor believed de Kemp & Associates had a valid case and that acceptance of the staff recommendation opened the door for misinterpretation and accusation of cross-subsidization.

Councillor Hill referenced the many years of experience held by Terratec, however expressed concern the Region did not give smaller companies the opportunity to prove their ability and competence. The Councillor noted she had received complaints concerning Terratec during the previous season.

Chair Clark reviewed Paragraph 1.0 of the RFP which stated proposals would be accepted for hauling only, for beneficial use (land application) only, and for both the hauling and beneficial use components. He indicated the Price Schedules did not make the previous statement invalid. Chair Clark pointed out the staff recommendation represented the lowest overall programme cost.

Councillor Hunter commented it was a difficult decision as both companies were highly capable. However, the Councillor referenced Paragraph 1.0 of the RFP and the Regional legal advice that the Region was not prohibited from accepting a combined bid that stated it was combined if both components were accepted. Councillor Hunter agreed further clarification could have been provided in the Price Schedule regarding the options and why a price was not requested for both. Speaking to the report, the Councillor agreed to support the staff recommendation based on the small but significant difference in price.

Moved by Councillor Hill

**That Recommendation No. 1 be amended to read the appointment be awarded to de Kemp & Associates for the Biosolids Beneficial Use component and R.W. Tomlinson for the Biosolids Hauling component for the appropriate contract provision to be confirmed.**

LOST

YEAS: B. Hill, B. McGarry ... 2

NAYS: P. Hume, G. Hunter, A. Loney, P. Clark ... 4

Moved by Councillor Loney

**That having held an interview with de Kemp and Associates Ltd. for the Beneficial Use Programme as directed by Corporate Services and Economic Development Committee, the Corporate Services and Economic Development Committee and Council approve:**

- 1. The appointment of Terratec Environmental Ltd., (Terratec) Oakville, Contract No. CS-7800, to undertake a three year Biosolids Hauling and Beneficial Use Programme for a total provision of \$1,854,305;**
- 2. The appointment of Laidlaw Waste Systems, Carp, Contract No. CS-7801, to undertake a three year contract to divert and reuse biosolids as landfill cover material for a total provision of \$969,894.**

CARRIED

(B. Hill and B. McGarry dissented)

Chair Clark reiterated the necessity for newly prepared RFP's to be carefully reviewed to avoid the opportunity for different interpretations being placed on the content. He stated difficulties could arise when doing something different or contrary to the norm, but agreed future documents should not allow for misinterpretations. M. Beckstead, Chief Administrative Officer, stated there had been recent discussions and agreement around bringing unusual or first time RFP's to Committee for review prior to issuing them to the industry.

REGULAR ITEMS

ENVIRONMENT AND TRANSPORTATION

*ENVIRONMENT*

2. GLEN CAIRN WATER RESERVOIR MODIFICATIONS  
CONTRACT CW-6137 - CONTRACT AWARD  
- Environment and Transportation Commissioner's report dated 28 Jan 97

**That the Corporate Services and Economic Development Committee and Council approve the award of Contract No. CW-6137 to Modern Mechanical Inc., Kanata, for modifications to the existing Glen Cairn Reservoir for a total contract provision of \$359,944.**

CARRIED

3. SUPPLY OF SODIUM HYPOCHLORITE  
TENDER 0885-38BB-T1/96 - CONTRACT EXTENSION  
- Environment and Transportation Commissioner's report dated 14 Jan 97

**That the Corporate Services and Economic Development Committee and Council approve the extension of Tender 0885-38BB-T1/96 for the supply of Sodium Hypochlorite at the Robert O. Pickard Environmental Centre to Colgate-Palmolive Canada Inc., Toronto, for a total contract provision of \$143,237 for the period of 1 March, 1997 to 28 February, 1998.**

CARRIED

*TRANSPORTATION*

4. SUPPLY OF TRAFFIC SIGNAL LAMPS -  
TENDER 0285-32-T1/97 - CONTRACT AWARD  
- Environment and Transportation Commissioner's report dated 27 Jan 97

**That the Corporate Services and Economic Development Committee and Council approve the award of Tender 0285-32-T1/97, Supply of Traffic Signal Lamps, to Duro-Test Canada Inc., Rexdale, Ontario, for a total contract provision of \$69,449.88.**

CARRIED

ENVIRONMENT AND TRANSPORTATION/  
PLANNING AND DEVELOPMENT APPROVALS

5. ORLEANS SOUTH WATERMAIN PROJECT  
PROPOSED AGREEMENT WITH URBANDALE  
CORPORATION AND MINTO DEVELOPMENT INC.  
- Joint Environment and Transportation Commissioner and Planning and  
Development Approvals Commissioner's report dated 23 Jan 97

Chair Clark reported Queenswood Land Associates had requested to be included in the proposed agreement.

Moved by Councillor Hume

**That the Corporate Services and Economic Development Committee and Council approve:**

1. **That the Region enter into an agreement with Urbandale Corporation, Minto Developments Inc. and Queenswood Land Associates to transfer to them previously reserved water capacity from the existing East Urban Area in Cumberland west of Trim Road to the East Urban Centre Expansion area in Cumberland south of Innes Road subject to letters of credit being provided to the Region;**

2. **That funds in the amount of \$350,000 for Phase I E.U.C. Feedermain Needs Engineering Design and Easement Acquisition be transferred from the 1995 Watermain Rehabilitation Programme Account No. 922-41919.**

CARRIED as amended

#### FINANCE

6. RESPONSIBILITY FOR ANIMAL CONTROL AND POUND FUNDING IN OTTAWA-CARLETON  
- Finance Commissioner's report dated 31 Jan 97

Mr. John Hughes, Vice-President, and Ms. Lisa Danso-Coffey, Administrator, Humane Society of Ottawa-Carleton.

Mr. Hughes began by stating the Humane Society of Ottawa-Carleton (HSOC) had been in operation for over 100 years with the pound service operating since 1933. He noted since the inception of the Regional Municipality of Ottawa-Carleton in 1969, the two had enjoyed a special relationship he feared would end. Mr. Hughes expressed surprise to discover the Region was proposing to turn over the funding responsibility for the regional pound to the eleven municipalities. He did not support the proposal as the Society would then be administratively dealing with eleven municipalities rather than one primary client.

In reference to the staff report, Mr. Hughes noted it stated the pound operation was seen by the HSOC as a direct responsibility of local government in the Region. He stated that indeed the pound operation was clearly established in law and did not exist by virtue of the HSOC's view. Mr. Hughes noted it was based on various legislative Acts and the Society acted as a service deliverer to municipalities who exercised animal control through their by-laws and by-law enforcement officers.

With regard to the pound service, Mr. Hughes indicated the report read that no formal agreement had ever been established for providing pound services to the area municipalities. To the contrary, Mr. Hughes reported there was a Capital Facilities Agreement with the City of Ottawa which required the Society to provide pound services to the City from January 1, 1996 until December 31, 2000.

Mr. Hughes reminded Committee that the Region along with other municipalities commissioned an operations review by a Toronto animal services consultant which was not yet complete but due in the near future. Mr. Hughes described the intent of the review was to examine the operating circumstances, the cost effectiveness, and the efficiency of the pound. He suggested the staff report dated 31 Jan 97 was pre-mature and recommended Committee postpone further discussions until the pound services operational review contract for the RMOC and the municipalities was complete.

In closing, Mr. Hughes referenced the revenue sources through fundraising for the HSOC as outlined in the staff report. However, Mr. Hughes pointed out the animals were not "put up for sale through the shelter facility", but rather adopted out whenever possible. He further pointed out the Society subsidized the adoption and spay and neuter programs, however, noted the purpose of both programs was to ensure the prospective owners had an opportunity to adopt an animal that would otherwise be destroyed.

Chair Clark stated the Region did not have any legal obligation to operate or contribute to the operation of a pound. He noted there was no argument concerning the value of the HSOC but suggested with a firm deadline the issue of responsibility may be resolved. The Chair pointed out the HSOC was not the only example of the Region contributing funds to areas they did not have direct responsibility for, such as the past purchase of defibrillators for the Fire Departments, a local responsibility.

Councillor Hunter referenced the agreement with the City of Ottawa and the associated cost to the City of \$8,867. Mr. Hughes confirmed the City of Ottawa consumed over 50% of the traffic through the pound. He clarified the \$8,867 represented a tax relief portion only and the opportunity did exist in that they could charge a further amount.

**That the Corporate Services and Economic Development Committee receive and table this report with the following recommendations to be considered at the next Corporate Services and Economic Development Committee meeting scheduled for 4 March 1997:**

**That the Corporate Services and Economic Development Committee recommend Council:**

- 1. Endorse the principle that animal pound services is a fundamental and integral component of animal control;**
- 2. That the Area Municipalities, as the agency responsible for animal control, assume complete responsibility for pound services funding effective January 1, 1998;**

3. **That the Humane Society of Ottawa-Carleton's 1997 grant allocation for \$357,000 be approved.**

TABLED

7. **REALIGNMENT OF DUE DATES FOR THE REMITTANCE OF PAYMENTS FROM THE AREA MUNICIPALITIES FOR THE RMOC TAX LEVY**

- Finance Commissioner's report dated 03 Feb 97

**That the Corporate Services and Economic Development Committee receive and table this report with the following recommendations to be considered at the next Corporate Services and Economic Development Committee meeting scheduled for 4 March 1997:**

**That the Corporate Services and Economic Development Committee recommend Council approve:**

1. **The realignment of the Regional tax levy due dates to coincide with each Area Municipality's property tax bill due dates (with the exception of Provincial payments in lieu, sewer surcharge and fire supply charge), effective January 1, 1998;**
2. **That the Regional levy requirements be apportioned equally over the number of property tax due dates for each municipality;**
3. **That these levy due dates be no later than the 1996 levy due dates;**
4. **That the RMOC's share of the province's payments in lieu become due within 5 business days from when they are received by the Area Municipality;**
5. **The restatement of the Regional mill rates to adjust for the difference in revenue.**

TABLED

8. SECURITY BOND SECTION 92 (3)  
MUNICIPAL ACT R.S.O. 1990, CHAPTER M.45  
- Finance Commissioner's report dated 28 Jan 97

**That the Corporate Services and Economic Development Committee and Council receive this report for information.**

RECEIVED

REGIONAL CLERK

9. APPOINTMENT:  
OTTAWA CONGRESS CENTRE BOARD OF DIRECTORS  
- Regional Clerk's report dated 03 Feb 97

**That the Corporate Services and Economic Development Committee recommend Council approve:**

1. **The re-appointment of the Regional Chair, Peter Clark, as one of the Region's three representatives on the Board of Directors of the Ottawa Congress Centre, for a three-year term beginning 1 January 1997 and ending 31 December 1999;**
2. **The appointment of Mr. Mark Moore, General Manager of Novotel Ottawa and President, Ottawa Hoteliers de l'Outaouais Inc. (OHOI), to the Ottawa Congress Centre Board of Directors, for a three year term effective 1 January 1997 and to expire 31 December 1999.**

CARRIED

INFORMATION PREVIOUSLY DISTRIBUTED

CHIEF ADMINISTRATIVE OFFICER

1. Federation of Canadian Municipalities Membership -  
Benefits to the Regional Municipality of Ottawa-Carleton  
- Chief Administrative Officer's memorandum dated 04 Feb 97

PLANNING AND DEVELOPMENT APPROVALS

2. New Convention Centre - Update  
- Planning and Development Approvals Commissioner's memorandum dated 12 Feb 97

REGIONAL CHAIR

3. Regional Chair's Trade Promotion  
Mission To South Korea And Japan  
- Chief of Staff's memorandum dated 03 Feb 97

REGIONAL CLERK

4. Record Tender Openings for the  
Month of January 1997  
(As Per Corporate Policy Manual Section 4.6.6)  
-Regional Clerk's memorandum dated 05 Feb 97

ADJOURNMENT

The meeting adjourned at 5:40 p.m.

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CO-ORDINATOR

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CHAIR