

\$900,000 jump in recycling facility cost

Regional councillors upset news is just being shared now

Fri Nov 30, 2007

By Erin Hatfield

DURHAM -- Some Regional councillors are furious after only learning Wednesday that Durham's new recycling facility is almost \$900,000 over budget and its construction was plagued by other problems - news they are hearing two weeks before its grand opening.

"Here we are at the 11th hour, two weeks before the ribbon cutting on a project that should have been on time and on budget," Pickering Councillor Rick Johnson said. "And here we are finding out taxpayers' money has been wasted. This is a travesty."

The building of the material recovery facility (MRF), located on Garrard Road in Whitby, was plagued by a high water table and inadequate soil conditions that ended up driving the cost up to just less than \$17 million, councillors were told.

Susan Siopis, a works department director, shared a number of photos with Durham's works committee on Nov. 28 that illustrated what it looked like when excavation began. In addition to the high water table the soil was not suitable for building because there were pockets of organic material and debris unearthed throughout the construction site.

A screening operation was used to capture the good soil and water proofing was required, she said. The company had to make modifications to the drainage system and stormwater design and it had to take significant measures to remediate the soil.

Despite these problems, Ms. Siopis said the action employed was far less expensive than other options on the table.

"The solution alleviated the problem, saved us money and saved us significant time," she said.

The MRF will process Durham's recyclables.

Councillors were not happy with the message this might send to the public.

"When we get a report like this it sends a chill out in the community with what we are trying to do here with recycling," said Whitby Councillor Gerry Emm.

"We are building a water pollution control plant and telling people we are going to build an incinerator then we mess up with a project like this," Coun. Johnson said.

Councillors questioned why they hadn't heard about the problems with the project earlier.

Commissioner of works Cliff Curtis explained it was always his intention to report on the project, but he wanted to know the full impact and the solution before doing so.

"The soil report we had wasn't all we had hoped it would be," he said. "But, it wasn't until we started opening up the ground that we realized the extent."

In a controversial decision, Regional Council in July of 2006 awarded the contract to design-build and operate the new MRF to Metro Municipal Recycling. The Metro bid had two parts, one contract with Gottardo Construction Limited for \$8 million to build the facility and a second with Metro Municipal Recycling for \$7 million to furnish it with the equipment needed and to operate the MRF.

Originally three bids were submitted, however the bids by Waste Management of Canada Corp. and Miller Group were reported to have failed the technical portion of the bidding process.

Questions were raised about the fairness of the tendering process and the project was awarded to Metro after it threatened to sue, Mr. Curtis said.

The total estimated project cost was \$16 million, after negotiating an inflationary adjustment for the delay in awarding the tender. Funding in the amount of \$900,000 was included in the overall project budget to retain consultants to assist in the contract.

"This was low tender," Coun. Johnson said. "There was a lot of controversy over this."

On Wednesday, the works committee wouldn't approve the additional cost of \$788,900 above the \$8,258,874 going to Gottardo Construction Limited, and additional commitments of \$85,000 to Metro Municipal Recycling Services Inc. were also not approved. The report was tabled until the next works committee meeting despite Mr. Curtis's concerns that if the recommendation didn't moved forward Gottardo has the option of going to binding arbitration.

In an interview, Mr. Curtis said he is still happy with the project, which still came in at \$3 million under the next lowest bid.

"I am still quite happy with the price," he said. "We are still getting good value for our dollar."