



Waste Services

Materials Recovery Facility Renewal

October 2, 2020
Utility Committee
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Materials Recovery Facility - Current State

Renewal of the MRF is required due to:

- Aging equipment
- Reduced capacity
- Changes in blue bag material composition



Detailed Options Analysis

Alternative	Description	Completion Date	NPV	Capital Investment
2	Paper/cardboard processing line optimization; End-of-life processing equipment replacement	2022	\$226,642,872	\$15,732,246
3	<u>Phase 1</u> Paper/cardboard processing line optimization; <u>Phase 2</u> End-of-life processing equipment replacement	2025	\$206,894,089	\$16,235,156

Recommendation: Alternative 2 (full scope)

- Align the capital renewal and Operations and Maintenance contract
- Optimize the paper/cardboard processing line and replace the end-of-life equipment
- Increase annual production capacity from 40,000 to 86,000 tonnes
- Improving recovery efficiency to 95%
- Capital investment required: \$15.7 million
- Estimated Net Present Value compared to status quo: \$226 million*



* NPV estimation over the 30-year project life

Recommended Capital Budget Adjustment

Transfer \$15.7 million capital budget from approved composite profiles:

- CM-81-2045: \$8.0 million from Waste Services Project Delivery
- CM-81-2047: \$1.3 million from Facilities and Infrastructure Project Delivery
- CM-81-2048: \$6.4 million from Waste Services Vehicles and Equipment





Thank you

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