

### 30. IN-VESSEL COMPOST PLANT

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Corporate Plan Output: Solid Waste	

The purpose of this report is to advise this Committee who is on the shortlist for tendering a proposal for the in-vessel compost plant.

#### BACKGROUND

Committee members will recall that the Council passed the following resolution in October 2000.

1. *That the Waste Manager seek expressions of interest/proposals for a five lane agitated bay in-vessel compost plant or similar alternative technologies. (Note that at this stage a plant to process around 30% of the green waste is envisaged).*
2. *That capital funding of \$5.8 million (excluding GST) be recommended for inclusion in the Annual plan budgeting for 2001/02 and 2002/03 to enable the construction of a start-up lane agitated bay in-vessel plant or equivalent.*
3. *That increased operating costs equivalent to that of a five lane in-vessel agitated bay plant be recommended for inclusion in the 2002/03 budget and beyond as indicated in the Octa Feasibility report.*
4. *That all operating and capital costs be funded by a combination of the Waste Minimisation levy and green waste charges.*
5. *That the increase in green waste charges be decided after receipt of the report from the Waste Manager to the November meeting of the Committee.*
6. *That the Waste Manager seek to identify an extra \$50,000 for professional services for this project in the 200/01 year from the Waste Management Unit operational budget at the 5 month financial reporting time.*

Items 2 to 6 are either completed or in the process of completion. Item 1 is amplified below.

#### SHORTLIST OF COMPANIES TO TENDER PROPOSALS

An Expressions of Interest document (EOI) requesting interested companies to register their interest in tendering a proposal has been widely advertised within Australia, New Zealand, United States of America and Canada, both on the Internet and the Bio Cycle organisation as well as specific targeting to known interested companies. Sixty three companies/organisations uplifted the EOI document and this resulted in twenty seven organisations registering their interest. The Compost Subcommittee has conducted a careful evaluation of these submissions assisted by a report from consultants Octa Associates, and selected a short list of six companies for tendering a proposal based on the principal attributes of proven capability, finance and technical resources. The shortlist is as follows:

<b>Company</b>	<b>Type of Composting Technology</b>
1. Energy Equipment International Ltd affiliated to Envirostar Energy P/L (Australia)	Waste to energy using fluidised bed combustion (i.e. incineration/electricity generation)
2. Resource Recovery Management, Longwood Manufacturing, Wright-Pierce (Australia, USA,)	Agitated Bay
3. Living Earth Ltd, US Filter (NZ, USA)	Agitated Bay
4. Brentwood Recycling Systems, Gicom (Australia, Europe)	Aerated Static Bay
5. Onyx, Natural Recovery Systems (NZ, Australia)	Aerated Sealed Bin
6. Waste Solutions, BTA (Germany)	Anaerobic Digestion

Subsequent to the Compost Subcommittee considering and agreeing to the above shortlist the Solid Waste Manager (Simon Collin) has been in dialogue with a Swiss company Kompogas. AG who have built innovative anaerobic digestion plants in several overseas countries (e.g. Japan and Europe). Their technology is represented by an Australian company, Cycloplas. Cycloplas have expressed interest in submitting a proposal.

To achieve a balance in the different types of technology bidders (and to get one more anaerobic digestion tenderer) it is recommended that Cycloplas (Kompogas.AG) is added to the above shortlist. This later inclusion has been checked out with the Legal Services Manager who is satisfied that it is appropriate.

#### **TIMEFRAME**

The timeframe for this project is as follows:

<b>Item</b>	<b>Time</b>
(a) Subcommittee consider and approve Tender document	5 March 2001
(b) Tender period	March/April 2001
(c) Tender analysis	May 2001
(d) Subcommittee listen to tender submissions – two days	Late May 2001
(e) Report is written	June 2001
(f) Subcommittee consider tender report – two meetings	July 2001
(g) City Services and Council consider Subcommittee report	August 2001
(h) Conclude negotiations with successful company and Council signs contract for supply	September/October 2001
(i) Supplier seeks resource consent and completes planning and design work	November 2001 to June 2002
(j) Construct Plant	July 2002 to June 2003
(k) Testing and proving period by the company	Late 2003
(l) Council pays supplier for plant and takes ownership	Early 2004

#### **BUDGET REQUIREMENTS**

The \$5.8 million capital budget spread to match the above programme is proposed as follows:

<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>Total</b>
\$0.1m	\$2.6m	\$2.6m	\$0.6m	\$5.8m

This is included in the Council draft 2001/02 budget

**Recommendation:** That Cycloplas (Kompogas.AG) is added to the shortlist for request to tender.

**Chairman's**

**Recommendation:** That the above recommendation and timeframe be adopted.