



September 28, 2012

TO: Mayor and Members of Council

FROM Denise Turner Roth, City Manager

SUBJECT: Items for Your Information

Council Follow-Up Items

- **Promotion of Reading in Area Churches**

As a follow-up to a request from Councilmember Bellamy-Small at the September 4, 2012 City Council meeting, attached is a memorandum from Interim Director of Libraries Brigitte Blanton regarding promoting reading in area churches.

- **Recycling RFP (Separate Attachment)**

As a follow-up from a request from Council at the September 10, 2012 Work Session, attached is a memorandum from Field Operations Director Dale Wyrick, responding to Council's questions concerning the recycling best and final offers. Staff will be requesting Council to select a date for a Special Work Session to discuss the Recycling RFP at the Tuesday Council Meeting.

- **Cascade Saloon Pictures**

As a follow-up to a request from Mayor Perkins at the September 18, 2012 City Council meeting, attached is a memorandum from City Attorney Mujeeb Shah-Khan, dated September 28, 2012, providing the pictures of the Cascade Saloon.

Agenda Items for October 2, 2012 City Council Meeting

- **Agenda Item #14: HEAT**

Attached is a memorandum from Transportation Director Adam Fischer, dated September 28, 2012, providing background information regarding the Higher Education Area Transit (HEAT) resolution that is on Council's agenda for Tuesday.

Solid Waste Management Contract

Attached is a memorandum from Field Operations Director Dale Wyrick, dated September 27, 2012, regarding extending the existing solid waste hauling and disposal contract through October 13, 2012.

"Strong Cities, Strong Communities Visioning Challenge" Grant

Attached is a memorandum from Planning and Community Development Director Sue Schwartz, dated September 27, 2012, regarding the one million dollar grant from the Economic Development Administration that was awarded to the City on September 21, 2012.

Noise Ordinance

Attached is a memorandum from Chief of Police Ken Miller, dated September 28, 2012, providing analysis from the revisions to the City's noise ordinance on June 15, 2012 through August 31, 2012.

Mobile Food Vendor Ordinance

Attached is a memorandum from Zoning Administrator Mike Kirkman, dated September 27, 2012, regarding the proposed amendments to the City ordinances for mobile food vendors.

Mobile Food Vendors Schedule

Attached is a memorandum from Small Business Coordinator Reggie Delahanty, dated September 28, 2012, providing the schedule for the mobile food truck vendors for October.

Floodplain Management Progress Report

Attached is a memorandum from Water Resource's Floodplain Administrator Virginia Spillman and Deputy Director Kenney McDowell, dated September 21, 2012, providing a progress report for the Floodplain Management / Hazard Mitigation.

Greensboro Performing Arts Center Update

Attached is an update from the Greensboro Performing Arts Center Task Force.

Contact Center Feedback

Attached is the weekly report generated by our Contact Center for the week of September 17, 2012 through September 23, 2012.

Small Group Meetings

For the week of September 21, 2012 through September 27, 2012, there were no small group meetings between City Staff and [more than two but less than five] Councilmembers.

DTR/mm
Attachments

cc: Office of the City Manager
Global Media



September 28, 2012

TO: Denise Turner Roth, City Manager
FROM: Brigitte Blanton, Interim Libraries Director
SUBJECT: Promotion of Reading to Area Churches

During the September 4, 2012 Greensboro City Council meeting, staff was asked to explore ways to encourage reading in the area churches.

Several church summer camps participate in the Library's Summer Reading Program. In an effort to encourage reading throughout the year, the Youth Services Coordinator will develop reading readiness and reading motivation tips sheets that can be distributed to area churches and other faith communities. In an effort to maximize impact, the information will be distributed in April during National Library Week and in the month of September, which is Library Card Sign-up Month.

The reading readiness and reading motivation information will include ideas for parents, caregivers, and those working with youth in the churches. It will be easy for the churches to announce this information during services, include it in newsletters/bulletins, and incorporate the tips into their children's services/programs.

BB

cc: Sandy Neerman, Assistant City Manager
Tammy Miller, Library Department Youth Services Coordinator

Office of the City Attorney
City of Greensboro



September 28, 2012

TO: Mayor and Council
FROM: S. Mujeeb Shah-Khan, City Attorney
SUBJECT: Cascade Saloon Pictures

During the September 18, 2012 Council meeting, photographs of the Cascade Saloon building were discussed including photo illustrations prepared by Preservation Greensboro were discussed. During the discussion, Mayor Perkins requested that the photographs of the building and the photo illustration be provided to Council. Enclosed are photos of the building in its current state, how it may look if renovated, architectural features of the building, and how the streetscape would look if the building was demolished. Also enclosed is a document prepared by Preservation Greensboro with photographs of the interior and exterior of the building and other relevant information.

If you have any additional questions, please contact me at your convenience.

SMS
Enclosures

cc: Denise Turner Roth, City Manager (w/encs.)
Sue Schwartz, Planning and Community Development Director (w/encs.)
Butch Simmons, Engineering and Inspections Director (w/encs.)
Mike Williams, Esq., Associate General Counsel (w/encs.)
Tom Carruthers, Esq., Associate General Council (w/encs.)



S Elm 100

CROSSING
STOP
LOOK
LISTEN







Ross Strange Building

former Cascade Saloon



Ross Strange Building

former Cascade Saloon



Ross Strange Building

former Cascade Saloon



Ross Strange Building

former Cascade Saloon



Ross Strange Building

former Cascade Saloon



Ross Strange Building

former Cascade Saloon



Ross Strange Building

former Cascade Saloon



Ross Strange Building

former Cascade Saloon

Preservation Greensboro Incorporated

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Development Fund

The **Preservation Greensboro Development Fund** (PGDF) was established in 1989 through grants from several community foundations. The Fund is a revolving fund, a pool of capital created and reserved for historic preservation activities - with the condition that the money will be returned to the fund to be reused for similar activities in the future.

[Watch the Development Fund Video](#)

Mission

PGDF pursues property acquisitions and partnerships to foster an enhanced environment by preserving and rehabilitating our community's historic and architectural treasures.

Easements

The Preservation Greensboro Development Fund will consider accepting **preservation easements** for buildings of historic or architectural significance. This includes buildings listed, or eligible for listing on the National Register of Historic Places, or that has been certified as historic by Greensboro, Guilford County, or PGI. All easements must be approved by the Revolving Fund board. The exact terms of a preservation easement, as well as the extent to which those terms limit alteration of an historic building or protected land will vary depending on the donor's wishes.



Community Redevelopment

In the past, the Preservation Greensboro Development Fund has assisted in the restoration of the **Bumpass-Troy House** in the College Hill neighborhood, assisted with reconstruction of the **McCulloch House** in the Southside neighborhood, the preservation of the **D. P. Foust House** in Whitsett (right), and partially financed an in-depth study of neighborhood development in the **Aycock neighborhood**.



"We have sent repeated letters to Mr. Strange, met with him, etc. We also made an offer to purchase his property. Unfortunately, I cannot release our documents themselves as we treat them as confidential."

***Marsh Prause
Chairman, Board of Trustees
Preservation Greensboro Development Fund, Inc.***

Ross Strange Building

former Cascade Saloon

Guilford County Property Record Card

Parcel ID: 00-00-0009-0-0002-00-004 Data Upload Date: NA
 Property Address: 408 410 S ELM ST Inquiry Date: NA



Disclaimer: While every effort is made to keep information provided over the internet accurate and up-to-date, Guilford County does not certify the authenticity or accuracy of such information. No warranties, express or implied, are provided for the records and/or mapping data herein, or for their use or interpretation by the User.

Owner

Name: STRANGE, ROBERT W
 Address: 1210 AYCOCK AVE
 City State Zip: BURLINGTON, NC 27215

Property Information

Description: Lot # 1 LOT N/A Legal_2 Parcel Size: 0.1000 Commercial
 Address: 408 410 S ELM ST Area as Mapped: 0.10
 Use: COMM-Commercial Tax District: 100
 Zoning: Contact the City of Greensboro for zoning

Sales History

Book-Page	Sale Date	Price	Type	Qualification	Improved
3764-511	10/15/1989	\$20,000	Warranty Deed	Unqualified	Yes

Total Appraisal Values

Assessed	Building	Out Building	Land	Deferred
\$164,223	\$66,213	\$0	\$98,010	\$0

Appraisal Building Information



Building Area Totals

Code	Description	Square Feet
BAS	Base - Main Floor	3,998
UUS	Unfinished Upper Story	3,998

Improvements

Use:	Commercial	Heating Fuel:	None
Foundation:	Spread Footing	Heating Type:	None
Floor System:	Slab On Grade	Air Conditioner Type:	None
Exterior Wall:	Common Brick	Heated Sq Ft:	3,998
Roof Structure:	Wood Truss	Market Factor:	3
Roof Cover:	Rolled Composition	Quality Factor:	Average
Interior Wall:	Plaster, Drywall	Year Built:	1895
Interior Floor Cover:	Concrete Finished	Effective Year Built:	1965

Commercial Improvements

Structural Frame:	Masonry	Units:	N/A
Ceiling & Insulation:	No Insulation	Ceiling Height:	14
Fixtures:	4		

Ross Strange Building

former Cascade Saloon

What will the legacy to be?



Department of Transportation
City of Greensboro



September 28, 2012

TO: Denise Turner Roth, City Manager
FROM: Adam Fischer, Director of Transportation
SUBJECT: Higher Education Area Transit Invoice

The Higher Education Area Transit (HEAT) system started in August of 2006 with a three (3) year Federal Grant to fund 80% of the operating cost with the HEAT partners and the City covering the 20% match.

Beginning in August 2009, the HEAT partners were required to fund 100% of the total operating costs. Contracts were established with each HEAT partner based on student enrollment figures whereby each partner agreed to reimburse GTA \$15.00 per student per semester.

In error, NCA&T provided the City with the wrong total enrollment figures for the 2009 and 2010 school years. (2009 - \$24,840 (*828 more students were billed than actual FTE students enrolled*), and 2010 - \$22,170 (*574 more students were billed than actual FTE students enrolled*)). NCA&T reported the error in student enrollment figures for the 2009 and 2010 school year to the Greensboro Transit Authority after payments were made for those school years. The invoice for the 2011 HEAT Services in the amount of \$301,981 was sent to NCA&T on November 17, 2011. Because of the lower student enrollment figures for 2009 and 2010, NCA&T remitted payment in the amount of \$254,970. The amount of \$47, 010 is uncollectable and needs to be voided. GTA actual revenues for HEAT in those fiscal years varied from the amount that was budgeted and anticipated. The overall GTA operating fund was within budget for the applicable years.

The current 3 year contracts with our HEAT Partners for School years 2012, 2013, and 2014 are no longer based on student enrollment numbers. The current HEAT contracts are based on a fixed percentage of the total HEAT operating costs for each School over the next 3 years not to exceed a contract maximum for each school.

AF

Cc Libby James, GDOT Public Transportation Manager

Field Operations Department
City of Greensboro



September 27, 2012

TO: Denise Turner Roth, City Manager

FROM: Dale Wyrick, P.E., Field Operations Director

SUBJECT: Update on Solid Waste Management Contracts

We wanted to make you aware that we are extending the existing Solid Waste hauling and disposal contracts with Hilco Transport and Republic Services through October 13, 2012, while we continue contract negotiations for RFP #08-12. The cost of these contract extensions fall within Field Operations existing budget.

I anticipate contract negotiations to be completed on or before October 13, 2012.

If further is required, please advise.

DDW



September 27, 2012

TO: Denise Turner Roth, City Manager

FROM: Sue Schwartz, FAICP, PCD Director

SUBJECT: 2012 Economic Development Administration “Strong Cities,
Strong Communities Visioning Challenge” Grant

A one million dollar grant from the Economic Development Administration awarded to the City of Greensboro on September 21, 2012, will be used to administer a two-phased Challenge Competition to incentivize teams of professionals from various fields related to economic development to submit proposals that outline how cutting edge concepts and ideas could be applied to address the persistent economic development challenges faced by the City. The City will provide matching funds of \$250,000 from its Economic Development Fund.

A Request for Proposals will be issued subsequent to execution of a Cooperative Agreement with the Economic Development Administration and will provide further details and a more precise timeline for submittals. Information will be communicated via the City of Greensboro website and media releases.

In the first phase, the City will award financial prizes to the teams submitting the top three proposals as rated by a City-selected evaluation panel. The two highest rated professional teams will receive prizes of \$65,000 and \$45,000 respectively, while the top-rated student team will receive a prize of \$15,000.

For the second phase of the competition, the City will invite up to six of the original teams to prepare comprehensive economic catalyst strategies for Greensboro. The winning submission is expected to be a forward-looking, implementable strategy focused on 21st century economic development practices and competitiveness in a global economy. A prize of \$1,000,000 will be awarded to the team that submits the best entry.

The winner will be determined by a City-appointed review committee, which in addition to elected officials and local leaders, will include national representatives from the business, planning, and economic development fields. A substantial public information and feedback process will ensure that the winning entry meets the needs of the City and is fully understood and supported by its residents. The winning entry will position Greensboro to implement strategies in a cohesive and comprehensive manner for the long-term economic benefit of both the City and the broader region. All proposals become property of the City of Greensboro.

SS

Anticipated Timeline

	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Grant Award	■						
Preparation of Competition	■						
Promotion of Phase I Competition		■					
Preparation of Proposals			■				
Selection of Phase I Proposals			■				
Preparation of Phase II Plan				■	■		
Public Review					■	■	
Selection of Phase II Plan							■
Winning Plan Announced							■

SS/da/rd



September 28, 2012

TO: Denise Turner Roth, City Manager
Michael J. Speedling, Assistant City Manager

FROM: Ken Miller, Chief of Police

SUBJECT: Noise Ordinance

In the spring of this year, the Greensboro City Council approved revisions to the City's noise ordinance to better address and resolve noise problems in downtown and throughout the city. In the course of approving the amended ordinance, the City Council requested a sixty-day review of complaints and enforcement of the ordinance. This memorandum provides that initial analysis, primarily gauging the period of time between the implementation date of June 15, 2012 and August 31, 2012. Staff will present this update to Council at the October 16th City Council meeting and will receive comments from the public at that time.

Enforcement

Since the policy change on June 15, 2012, the Greensboro Police Department (GPD) has issued 54 tickets for noise violations. The categories of noise violations by type are listed below. There have been no fees assessed through these tickets. Twenty-six of the fifty-four tickets were issued in the downtown area and only three tickets were associated with entertainment venues.

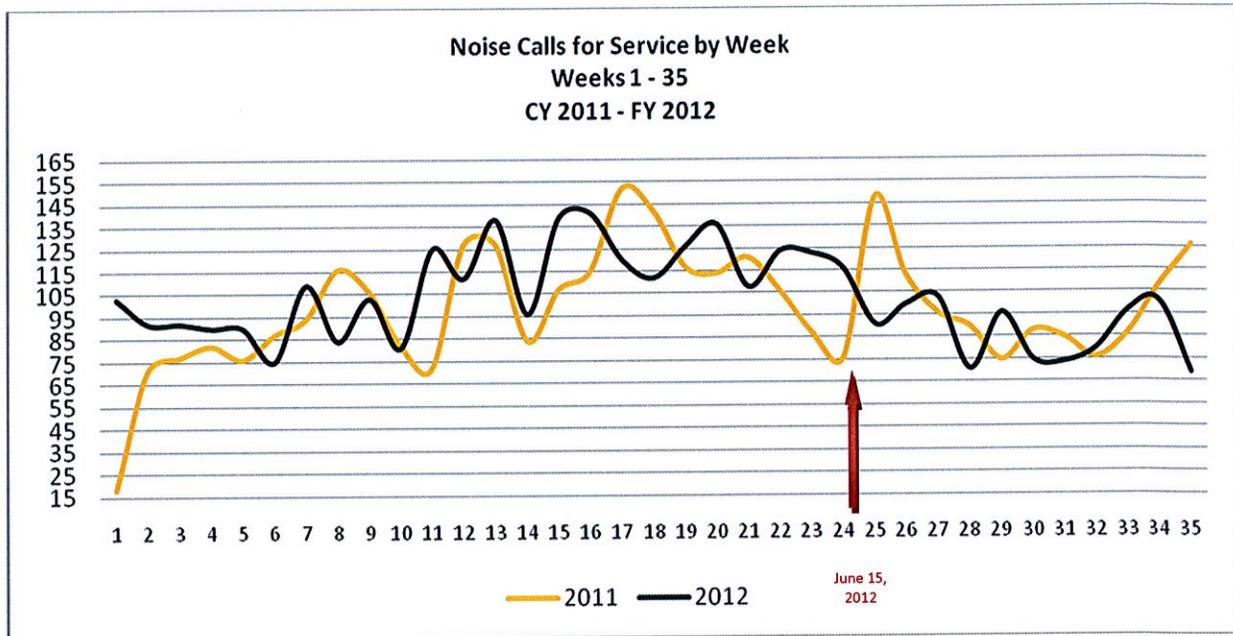
Noise Violation Ticket Category	Count
UNNECESSARY NOISE VIOLATION	2
UNLAWFUL NOISE PRODUCING - VEHICLES, RADIOS, ETC	3
UNLAWFUL NOISE-PRODUCING ACTIVITIES—COMMERCIAL ESTABLISHMENT	3
SOUND IMPACTING RESIDENTIAL LIFE	18
UNLAWFUL NOISES AND SOUNDS	28
Grand Total	54

Tickets were issued primarily on the weekends, with eleven on Friday, seventeen on Saturday, and twenty on Sunday. There were only six other tickets issued, all of which were issued on Tuesday (four) and Wednesday (two). The majority of these tickets were issued between the hours of 10pm and 3am (49). There were two tickets issued in the nighttime hours before or after these hours and three tickets issued in the midday hours.

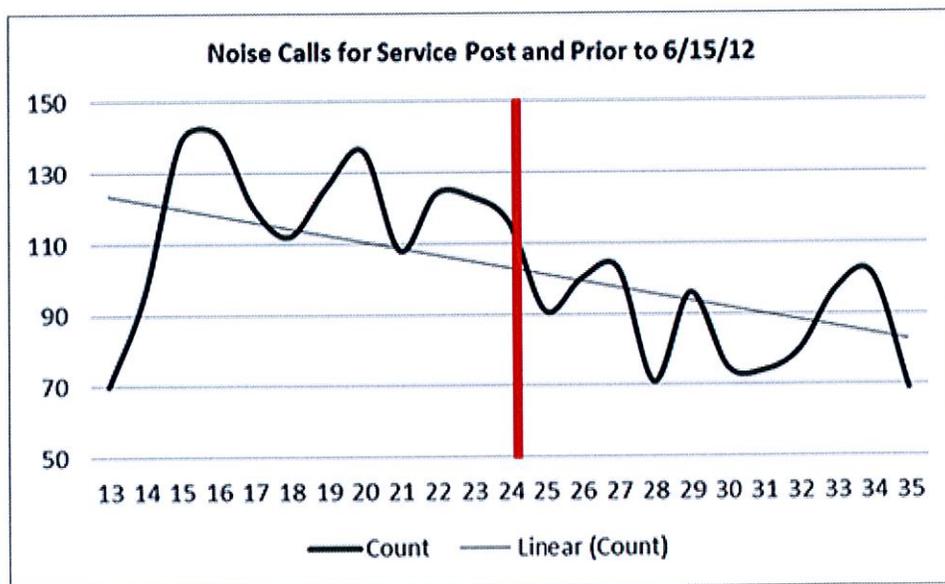
“Partnering to fight crime for a safer Greensboro”

Citizen Calls for Service Regarding Noise

Noise calls for service were compared by week for the first 35 weeks of 2011 and 2012. In 2012, noise calls fluctuated between 69 and 141 each week, with Week 16 (April 15-21) having the highest number of calls (141). That compares with Week 17 of 2011, which saw 152 noise calls. Below is a chart which depicts the number of noise calls for service by week, citywide for both CY 2011 and CY 2012.



The chart below shows the number of noise related calls for service that were received by the Greensboro Police Department from June 15, 2012 through August 31, 2012, (77 days) and the preceding 77 days.



“Partnering to fight crime for a safer Greensboro”

Feedback

Captain James has coordinated the training and implementation of this ordinance for the GPD. In preparing this report, he inquired into concerns that may have been voiced in any of the divisions, internally or by members of our community.

Internally, the process for determining violations is straightforward and simple. We have established a centralized process to manage the review associated with repeat calls for service, which may trigger the assessment of a fee. The issuance of a violation notice is simple for officers, enables them to continue to address noise from vehicles and we have experienced no problems managing the ordinance.

Within our community, we have heard no complaints regarding the ordinance. The manager of Greene Street nightclub indicated that the lower decibel levels and restrictions on amplified voice have not affected his patronage or business and he is happy with the implementation. A female resident of a condominium near N.Elm Street and Friendly Avenue reported that she still hears some loud noise on Sundays, but that Thursdays and Fridays have not been a problem.

Conclusion

It appears that the structure of the noise ordinance is having some positive impact in our community, particularly in the downtown area. It appears to have had no detrimental impact to the entertainment venues in place and operational. Our processes for measurement, notice of violation and fee assessment appear to be working smoothly. It will take some time for us to tell whether enforcement of the ordinance will reduce the overall workload associated with noise complaints, and whether it will reduce the number of repeat call locations. Currently, there appears to be a slight improvement in workload reduction. My recommendation is to retain the ordinance in its current form and again assess the impact in early July of 2013.

KSM

“Partnering to fight crime for a safer Greensboro”

One Governmental Plaza, PO Box 3136, Greensboro, NC 27402-3136 (336) 373-CITY (2489)



September 27, 2012

TO: Denise Turner Roth, City Manager
Mujeeb Shah-Khan, City Attorney

FROM: Mike Kirkman, AICP, CZO, Zoning Administrator

SUBJECT: Amending City Ordinances for Mobile Food Vendors

Mobile food vendors are defined by the City as “a person or persons that prepare or serve food and/or beverages to the general public on a recurring basis” either from a mobile piece of equipment (pushcart) or from a motor vehicle or trailer (motorized). The City currently allows both types of vendors in the Commercial-Medium (C-M), Commercial-High (C-H), Light Industrial (LI) and Heavy Industrial (HI) zoning districts. These zoning districts are typically found along the City’s major transportation corridors and industrial areas. Pushcart vendors only are allowed in the Central Business (CB) zoning district, which covers the majority of downtown Greensboro. Both types of Mobile food vendors can be located in any zoning district if they are connected to a temporary event or located on an active construction site.

Under the Land Development Ordinance (LDO), mobile food vendors are limited to one vendor per lot and may not encroach on a public sidewalk, any portion of a clearly defined pedestrian walkway between the sidewalk and the principal use of a property or any portion of access to and from the lot. Vendors must get a permit from the City to operate which includes further prohibitions on areas where they may be located (such as public streets) and spacing requirements from other vendors and various site features. Vendors must also meet applicable requirements from the Guilford County Health Department.

The only variation to these requirements are for mobile food vendors operating in the Downtown Business District, which encompasses properties roughly within the boundary of Smith Street, Church Street, Washington Street, Davie Street, Lee Street, Eugene Street and Spring Street. Within this Downtown Business District, more than one vendor is allowed on a single lot and vendors may encroach on public sidewalks so long as they do not interfere with the ability to travel along these sidewalks. Properties within this Downtown Business District are generally zoned Central Business (CB).

To remove the current zoning restrictions for motorized mobile food vendors, the City must amend Chapter 30 of the City Code, commonly known as the LDO. City Council may waive the typical process for approving text amendments to the LDO (Planning Board Hearing, recommendation, then Council hearing and decision) under Section 30-4-4.6, Waiver of

Procedure. However, this requires City Council to call a public hearing at one meeting and then hold the meeting on a subsequent date in order to meet required public notifications of this public hearing. To allow motorized food vendors to operate in a similar manner as pushcart vendors in the Downtown Business District the City must also amend Chapter 26 of the City Code, which can be done as a Business Item with no additional advertising requirements. Any change to allow mobile food vendors to operate on public streets or other public spaces would also require an amendment to Chapter 26. However, staff would recommend all proposed ordinance changes related to mobile food vendors occur on the same Council date so all changes can be considered as part of the public hearing process.

As per the Manager's instructions, staff has been evaluating necessary changes to the current city codes; working from the previously agreed upon timeline of setting the date for the required public hearing at the October 16, 2012 Council meeting and having the public hearing at the November 7, 2012 Council meeting. Please let me know if you have any questions or require additional information.

MK



September 28, 2012

TO: Denise Turner Roth, City Manager

FROM: Reggie Delahanty, Small Business Coordinator

SUBJECT: October Schedule for Commerce Place Food Truck Pilot Program

Eleven mobile food unit operators submitted applications for inclusion in the Food Truck Pilot Program on Commerce Place during the month of October. Selection is now complete for the first four full weeks running October 1st through October 26th. The schedule is available online at www.greensboro-nc.gov/foodtrucks and on Twitter using the #GSOFoodTruck hashtag.

All eleven qualified applicants indicated a preference to be included for lunches, which will occur each weekday during the month from 10am-3pm. Interest in participating during dinner sessions was significantly less, so staff has only assigned out Friday dinner sessions. These sessions will occur from 5-10pm. All other weekday dinner sessions will be open to that day's lunch participants to decide if they would like to stay in their location at no extra fee. That option is not available on Fridays.

Staff will reevaluate how November is scheduled based on the number of total applicants by the next deadline and their indicated preferences. The deadline for November consideration remains October 18th at 5pm. We continue to receive inquiries and stated interest for inclusion in the next portion of the pilot program and will start a waiting list for any new eligible applicant who is interested in taking an October session should one become available.

RD
Attachment

Commerce Place Food Truck Pilot Schedule: October 2012

Monday Lunch	Tuesday Lunch	Wednesday Lunch	Thursday Lunch	Friday Lunch	Friday Dinner
<p>1</p> <p>My Dream Cakes Hickory Tree BBQ Baguettaboutit</p>	<p>2</p> <p>Taste of Creole The Ice Queen Captain Ponchos Big City Sandwiches</p>	<p>3</p> <p>1618 Mobile Kitchen The Ice Queen Taste of Creole Baguettaboutit</p>	<p>4</p> <p>Captain Panchos Hickory Tree BBQ The Great Escape Big City Sandwiches</p>	<p>5</p> <p>My Dream Cakes 1618 Mobile Kitchen Stamey's Taste of Creole</p>	<p>Hickory Tree BBQ Big City Sandwiches Baguettaboutit The Great Escape</p>
<p>8</p> <p>The Great Escape 1618 Mobile Kitchen Captain Panchos Taste of Creole</p>	<p>9</p> <p>Taste of Creole Taqueria El Azteca My Dream Cakes Big City Sandwiches</p>	<p>10</p> <p>The Ice Queen Taqueria El Azteca Stamey's Big City Sandwiches</p>	<p>11</p> <p>My Dream Cakes Baguettaboutit The Great Escape Hickory Tree BBQ</p>	<p>12</p> <p>My Dream Cakes Big City Sandwiches The Great Escape Stamey's</p>	<p>The Ice Queen Hickory Tree BBQ Baguettaboutit Captain Panchos</p>

<p>15</p> <p>The Ice Queen Big City Sandwiches Taqueria El Azteca Taste of Creole</p>	<p>16</p> <p>Taste of Creole My Dream Cakes Stamey's Baguettaboutit</p>	<p>17</p> <p>Taste of Creole The Great Escape The Ice Queen Hickory Tree BBQ</p>	<p>18</p> <p>My Dream Cakes Baguettaboutit Captain Panchos Stamey's</p>	<p>19</p> <p>Stamey's 1618 Mobile Kitchen Taqueria El Azteca Hickory Tree BBQ</p> <p>Big City Sandwiches The Great Escape The Ice Queen Captain Panchos</p>
<p>22</p> <p>Hickory Tree BBQ Taste of Creole Taqueria El Azteca The Great Escape</p>	<p>23</p> <p>Captain Panchos My Dream Cakes Taste of Creole Big City Sandwiches</p>	<p>24</p> <p>1618 Mobile Kitchen Hickory Tree BBQ Captain Panchos Stamey's</p>	<p>25</p> <p>My Dream Cakes Taqueria El Azteca Baguettaboutit The Ice Queen</p>	<p>26</p> <p>Taqueria El Azteca The Ice Queen Big City Sandwiches Stamey's</p> <p>Captain Panchos Hickory Tree BBQ The Great Escape Baguettaboutit</p>



September 21, 2012

TO: Denise Turner Roth, City Manager

FROM: Virginia Spillman, P.E., Floodplain Administrator
Kenney McDowell, P.E., Deputy Director

SUBJECT: Progress Report for Floodplain Management/Hazard Mitigation

The National Flood Insurance Program's (NFIP) Community Rating System (CRS) is a voluntary incentive program that encourages community floodplain management activities that exceed the minimum NFIP requirements. As a result of these efforts, citizen flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community actions meeting the three goals of the CRS. These three goals of the CRS are to reduce flood losses, to facilitate accurate insurance rating, and to promote the awareness of flood insurance.

Greensboro has continued participation in the CRS program requires an annual recertification. The recertification requires the Floodplain Administrator to certify that the City continues implementation of credited activities as well as appropriate documentation that proves credited activities have taken place in our community. One activity requires the City to submit an annual progress report of the Floodplain Management/Hazard Mitigation Plan (HMP).

The broad purpose of the HMP is to protect life, safety, and property by reducing the potential for future damages and economic losses that result from natural hazards. The City of Greensboro was included in Guilford County's Multi-Jurisdictional Hazard Mitigation Plan. The plan was adopted by Guilford County on September 16, 2010, and adopted by City Council on September 21, 2010. The attached document contains the HMP Mitigation Action List for the City of Greensboro and serves as the required progress report. Completion of the action items are the responsibility of multiple City and County Departments. City staff continues to work with Guilford County on the ongoing efforts of the Multi-jurisdictional Flood Hazard Mitigation Plan and any recommendations or questions are welcome.

VS

cc: Steven D. Drew, Water Resources Director
Michael Borchers, Water Resources Engineering Manager
David Phlegar, Stormwater Manager

ACTION #7

As new Repetitive Loss Properties are identified within the City of Greensboro, contact all owners and inform them of the assistance available through the Federal Flood Assistance (FMA) programs, in addition to other flood protection measures.

Status: Ongoing

ACTION #8

Augment enforcement of the State Building Code and related City ordinances by encouraging wind-resistant design techniques for new residential construction during the permit process

Status: Ongoing

3. **Implementation:** n/a
4. **Recommendations:** The Multi-jurisdictional HMP was adopted by Guilford County on September 16, 2010 and by the City of Greensboro on September 21, 2010 after receiving approval from NCEM and FEMA on the revised plan. The HMP will be used primarily to protect life, safety and property by reducing the potential for future damages and economic losses that result from natural hazards.
5. **Dissemination:** Guilford County and the City of Greensboro, will disseminate the final document to key stakeholders and participating communities.

MEMORANDUM

TO: DENISE TURNER ROTTI
FROM: SARAH HEALY
SUBJECT: GREENSBORO PERFORMING ARTS CENTER TASK FORCE
DATE: 9/27/2012
CC: ROSS HARRIS

UPDATE ON GPAC TASK FORCE

Building Committee: The Building Committee met on Monday, September 24 in the MMOB, Development Services Room. The members of the Design Team that will run the charrette process have been selected – H3 Architects (New York, NY), Theatre Consultants Collaborative (Chapel Hill, NC), Akustiks (South Norwalk, CT), and venue. cost consultants (Tampa, FL). Importantly, this team is not designing the PAC at this point, only running the charette process. The design team is working on a tight schedule and has already begun working with Butch Simmons, co-chair of the building committee. Butch gave them the CAD designs and other additional data on all three sites. H3 has made a point to have the cost consultants active in the process from the beginning. The first site visit by members of H3 took place on Tuesday, September 25th in which they were given a tour all of the three potential sites. H3 also met with coliseum staff (Matt Brown and Scott Johnson).

-The next Building committee is scheduled during the Charrette process which will take place October 16-18th. The Building Committee will meet again on Wednesday, November 7th from 12-2pm in the Development Services Office, MMOB.

Operating Model Committee: The committee met on Monday, September 24th, and Michele Walter reviewed the homework assignment feedback from members. Members were asked their opinions regarding GPAC in five areas - activity model, financial subsidy, leadership and civic engagement, community engagement, and defining success. Members were also given five different operating models as case studies to examine. Members discussed pro/cons of each model.

-The next meeting of the Operating Model Committee will take place on Thursday, November 8th from 12-2pm, CFGG

Financing Options Committee: The Financing Options committee met on Tuesday, September 25th. The committee had a wide ranging discussion on how to finance a potential PAC. Rick Lusk discussed various financing/capital sources and sources of debt repayment. Committee members plan to invite county commissioners to join the Task Force. Steven Wolff to discuss New Market Tax Credit program and how it could be beneficial for a potential PAC.

-The next meeting of the Financing Options Committee will held on Tuesday, November 7th from 4-6PM, CFGG

Development Committee: The committee continues to raise private funds.

Outreach, Communications and Marketing Committee: This committee continues to work on materials that will be used to increase public awareness of the charrette taking place October 16-18th.

-The Outreach subcommittee will meet on Monday, October 1st, 4:30PM, CFGG

Advisory Committee: The Advisory Committee will hold an in-person committee meeting on Monday, October 1st, 8AM, CFGG

Task Force: The full Task Force will meet on October 4, 8-10AM, Holy Trinity Episcopal Church.

**Public Affairs
Contact Center Weekly Report
Week of 9/17/12 – 9/23/12**

Contact Center

4314 calls answered this week

Top 5 calls by area

Water Resources

Balance Inquiry – 814
IVR/Pay by Phone – 160
General Info – 146
New Sign up – 143
Cutoff Requests – 134

Field Operations

Bulk Guidelines – 88
No Service/Garbage – 69
Repair Can/Garbage – 64
HHW/Transfer – 51
E-Waste Pick up - 45

All others

Police/Watch Operations – 308
Privilege License – 55
Courts/Sheriff - 51
Overgrown Lots - 45
Employment - 31

Comments

We received a total of **9** comments this week:

Field Operations – 2 comments:

- Compliment to Solid Waste. An employee brought her a brochure and she wanted to say what a great job they did in explaining the procedures in a clear, concise, and polite manner.
- Caller wanted to thank the City for returning to get her yard waste after she missed the truck.

Public Affairs – 1 comment:

- I would not even need to call the Contact Center if email addresses and staff phone numbers were on the city website.

Transportation – 2 comments:

- I have a suggestion to make. It would be nice to have a live visualization system on each of the routes such as the one on <http://live.transloc.com>. This would help a lot.
- Caller wanted to say thank you for quick action on cleaning signal box.

Water Resources – 4 comments:

- Customer expressed that \$1.95 should not be charged to pay online. Other utilities do not charge and we should offer service for free. Customer will begin using his bank's bill pay to avoid \$1.95 convenience fee.
- Have been a customer for many, many, years, and I thank the Water Resources customer service staff for their patience and respect for their customers. A lot of places don't always take the time and stay patient with people. I appreciate the service I've received. You do a good job.
- Believes the rule of one adjustment per two years is unfair and should be changed immediately. Sometimes things happen and people need more than one adjustment for the same problem.

- Called this morning to make sure that you do not cash a check. Staff made sure that even if it returns "NSF" from the Bank of America bill payment plan, because my account has a credit balance, it will not cause me an overdraft fee. Thank you very much and I do appreciate the help from the staff. Obviously very knowledgeable people there.

Overall

Calls about the new pay by phone system for water bills increased last week. Calls about employment also increased. Call volume was busy through the end of the week.



September 28, 2012

TO: Denise T. Roth, City Manager
FROM: Dale Wyrick, P.E., Field Operations Director
SUBJECT: Update on Vendor Selection for RFP #11-12: Processing & Marketing of Recovered Recyclables

The purpose of this memo is to provide responses to items raised by Council and staff as a result of the Recycling RFP presentation and vendor discussion at the September 10, 2012 City Council Work Session. There were several statements made at the work session by representatives of ReCommunity and Waste Management that staff believes were inconsistent with answers provided or statements made in their respective interviews held on August 31, 2012.

Both Waste Management and ReCommunity were asked an additional series of questions to clarify those points. The questions posed to the vendors and their answers are provided as attachments 1 and 2 to this memo. Those responses had a direct impact on the answers to the Council's questions, which are answered below:

1. Councilmember Wade requested the annual cost of the recycling contract with ReCommunity since 1992.

Staff was able to identify contract amounts paid to ReCommunity (FCR Greensboro) from 1993 through July, 2012. Costs associated with this contract are as follows:

<u>Gross Contract Costs</u>	<u>Revenue from Sale of Materials</u>	<u>Net Contract Costs</u>
\$ 33,068,286	\$ 10,598,985	\$ 22,469,301

2. Councilmember Vaughan requested firm numbers on what the proposed revenue would be to the City between the award of a contract now and April 1, 2013.

For the purposes of estimating revenues (or costs) for a five month period (November 1, 2012 through March 31, 2013), HDR Engineering modeled three possible scenarios that the City could choose as a next step in the vendor selection process. The complete answer to this question can be found in the attached HDR analysis dated September 28, 2012 under the heading of ***Contract Start Time & Costs*** (page 3).

3. Mayor Perkins asked if ReCommunity would consider a three year contract.

ReCommunity's response to this question was that its best and final offer is valid for a five or 10 year contract.

4. Councilmember Hoffman asked for confirmation on whether ReCommunity could initiate a new contract before April 1, 2013.

ReCommunity indicated that it would be able to initiate a new contract before April 1, 2013 without penalty to the City.

The complete question and response from ReCommunity's September 19 letter is as follows (ReCommunity's answers in bold):

2. In the interview on 8/31, you stated that your proposal was based on a contract start date of 4/1/13 (immediately following the expiration of ReCommunity's current contract). In the Council Work Session on 9/10, ReCommunity indicated willingness to discuss issues related to the contract start date.

(a) If awarded this contract by the City, would ReCommunity be willing initiate some or all of the new contract terms before 4/1/13 and waive the early termination fee to the city? Please indicate the earliest date the following would be implemented:

If awarded, ReCommunity will allow the City to start the new pricing terms with no penalty to exit the old contract. New pricing will begin the first day of the month immediately after the contract is signed by ReCommunity and the City.

(b) Accept all new commodities now (additional plastics, etc.)?

We are prepared to immediately accept more recycled materials, including all plastic containers, milk cartons and pizza boxes. We will make the necessary accommodations to ensure these materials are recovered. Also during our retrofit, these materials still will be recovered by the interim processing facility, so no product will be lost.

(c) Waive current processing fees? Or willing to reimburse City from contract award until 4/1/13?

See above answer to (a) which eliminates the need for a response to this question.

(d) Waive current residue disposal costs? Or willing to reimburse City from contract award until 4/1/13?

See above answer to (a) which eliminates the need for a response to this question.

5. Councilmember Vaughan asked for confirmation that the acceptable recyclables for ReCommunity and Waste Management are the same.

Both companies are willing to accept the recyclables identified in the RFP, including:

- Plastic Bottles & Jugs,
- Aluminum & Steel Cans,
- Aerosol Cans,
- Metal pots and pans,
- Newspaper,
- Magazines & Catalogs,
- Office and School Paper,
- Junk Mail,
- Cardboard,
- Chipboard,
- Telephone Books,
- Pizza Boxes,
- Aseptic and Gable Top Containers,
- Glass Containers,
- Rigid Plastic,
- Other materials as mutually agreed to between the City and the company.

6. Mayor Perkins asked for confirmation that the Waste Management's Winston-Salem facility would receive glass.

Waste Management will accept glass at its Winston-Salem facility.

7. Councilmember Wade asked for staff to research whether ReCommunity is the same company as FCR; the date the company was incorporated; and if it was the same company that had done business with the City for the past twenty years.

The following is a response from the City Attorney Mujeeb Shah-Khan:

The City has had a longstanding contract with FCR Greensboro, LLC (formerly FCR Greensboro, Inc.) to handle the City's recyclables. FCR Greensboro, LLC is a subsidiary of FCR, LLC. (formerly FCR, Inc.)

In March of 2011, FCR, LLC (the parent) was acquired by ReCommunity. FCR Greensboro, LLC still exists as a subsidiary of ReCommunity. However, the City's contractual relationship is still with FCR Greensboro, LLC. ReCommunity refers to operations like FCR Greensboro, LLC as ReCommunity from a marketing standpoint.

8. Councilmember Bellamy-Small asked staff to provide the economic impact should ReCommunity not be awarded the contract.

Assuming the loss of 60 jobs and a \$2,000,000 annual payroll, John Shoffner, the City's Economic Development Manager, estimated the economic impact over five years to be approximately \$61,000,000.

Please find the additional attachments 4 through 7 as information from Waste Management, HDR, and ReCommunity pertaining to RFP #11-12.

DDW

- Attachments:
1. Waste Management Q&A (September 19, 2012 Email)
 2. ReCommunity Clarifying Q&A (September 19, 2012 Letter)
 3. HDR Best & Final Offer Evaluation Update (September 28, 2012 Letter)
 4. Waste Management Letter from Tracey Shrader (September 17, 2012)
 5. HDR Response to WM Letter from Tracey Shrader (September 25, 2012)
 6. ReCommunity Letter from Jerry White (September 19, 2012)
 7. ReCommunity Letter from Jerry White (September 27, 2012)

ATTACHMENT 1

From: Joseph, Stan [<mailto:SJoseph5@wm.com>]
Sent: Wednesday, September 19, 2012 4:31 PM
To: Readling, Joe
Cc: Wyrick, Dale; Speedling, Michael; Shah-Khan, Mujeeb; Jones, Matthew
Subject: RE: Greensboro RFP #11-12 Additional Questions for Waste Management

Joe,

Waste Management (WM) appreciates the opportunity to submit the following responses to your questions regarding RFP#11-12. In this regard, we will be immediately available to answer any further questions or provide additional information if needed. Thank you.

Questions:

1. It is noted that WM changed its BFO ACR threshold to \$73 from \$42.15 in the original submittal. Based on revenue share calculation, it appears that the WM BFO is less favorable than the original offer by WM for ACR values up to about \$165 per ton. Was that an intentional change? Will WM honor its original revenue share offer?
 - A. The BFO change was made with respect to the way ReCommunity was positioned in the original analysis presentation and the emphasis put on both protections to the City and upside advantage in that presentation. By utilizing 10 year commodity projections on Single Stream it is roughly equivalent (though not in the first several years) to the original offer. The intent was to afford the City the best protection possible while balancing a generous share in the up markets.
 - B. WM will honor our BFO offer under the stated terms of the RFP response, submitted on 20 August 2012 with no modifications. See below for contract start and term length responses (Questions 3 and 4 respectively).
 - C. Additionally, WM will also honor our original proposal under the stated terms submitted on 29 May 2012 in response to RFP #11-12 with no modifications.
2. In the WM clarification e-mail of 9/5/12 and again in the WM presentation to Council, you refer to a WM contribution or subsidy related to Recycle Bank. Your e-mail values this contribution at \$0.30 per household, which equates to \$288,000 per year based on 80,000 households. If the City is not interested in contracting with Recycle Bank, will WM still provide the \$288,000 per year as additional direct payment to the City?

WM subsidy and investment in RecycleBank was intended to expand the reach of the valuable addition of this rewards program to the City at a steep discount to the established pricing. It cannot be unbundled into a cash contribution.
3. If awarded the contract now, would WM be willing to pay the early termination fee to ReCommunity on behalf of the City of Greensboro without changing the best and final offer?

- A. WM cannot comment on the termination fee nor participate in any discussions with the City on them due to legal reasons, no matter how advantageous. The buyout is a contract matter between the City and ReCommunity.
 - B. If the City and ReCommunity reach an agreement on the existing contract and this coincides with a contract with WM in the next 30 days, we are prepared to delay the start of the contract to coincide with the expiration of your current contract term (April 1, 2013).
4. Would your BFO apply to a 3 year term?

Waste Management is willing to offer our BFO at a 3-Year Term with two 1-Year extension options.

Kind Regards,

Stan L. Joseph

Manager Community & Municipal Relations
South Atlantic Area
(O) 336-531-3285 (C) 336-406-3968 (F)866-276-2632
sjoseph5@wm.com

Think Green.® Think Waste Management

ATTACHMENT 2



RE Community Holdings II, Inc.
809 West Hill Street, Suite A
Charlotte, NC 28208
(704) 697-2000

September 19, 2012

Joseph C. Readling, PE
HDR
440 S. Church Street
Suite 1000
Charlotte, NC | 28202
Email: joe.readling@hdrinc.com

Subject: Greensboro RFP #11-12 Additional Questions for ReCommunity

This letter is in response to the email sent by HDR on behalf of the City of Greensboro, dated 9-17-2012. The email asks ReCommunity to respond to the following questions (below) regarding ReCommunity's Best and Final Offer (BFO) proposal submitted August 20, 2012 in response to the City's Processing and Marketing of Recovered Recyclables RFP #11-12.

Questions:

1. In Price Forms 1 & 3, is the \$9/ton education/marketing credit a direct payment or a credit to the city that is only to be spent on education and marketing through ReCommunity? Or can it be spent as the City wishes? Please describe how that direct payment would be made. Same question for the \$10/ton in Price Forms 2 and 4 for Option 2.
 - **The \$9 or \$10 per ton education/marketing credit in Price Forms 1 & 3 or Price forms 2 & 4 for Option 2 is a direct payment to the city for all city recyclables delivered to our facility. To illustrate, we can use \$10 per ton at 34,000 tons (a number used by the city) delivered annually. In this scenario, the city receives \$340,000 in what we call a marketing credit. In fact, these are real dollars paid to the city to use as they see fit. We recommend the city use these funds in whole or in part to promote and expand the recycling program, because a recycling program grows best with a continuous, supported education component. Contractually, however, the city can use the money as it wishes.**
2. In the interview on 8/31, you stated that your proposal was based on a contract start date of 4/1/13 (immediately following the expiration of ReCommunity's current contract). In the Council Work Session on 9/10, ReCommunity indicated willingness to discuss issues related to the contract start date.

(a) If awarded this contract by the City, would ReCommunity be willing initiate some or all of the new contract terms before 4/1/13 and waive the early termination fee to the city? Please indicate the earliest date the following would be implemented:

 **If awarded, ReCommunity will allow the City to start the new pricing terms with no penalty to exit the old contract. New pricing will begin the first day of the month immediately after the contract is signed by ReCommunity and the City.**

(b) Accept all new commodities now (additional plastics, etc.)?

 **We are prepared to immediately accept more recycled materials, including all plastic containers, milk cartons and pizza boxes. We will make the necessary accommodations to ensure these materials are recovered. Also during our retrofit, these materials still will be recovered by the interim processing facility, so no product will be lost.**

(c) Waive current processing fees? Or willing to reimburse City from contract award until 4/1/13?

 **See above answer to (a) which eliminates the need for a response to this question.**

(d) Waive current residue disposal costs? Or willing to reimburse City from contract award until 4/1/13?

 **See above answer to (a) which eliminates the need for a response to this question.**

3. What does ReCommunity believe the termination fee would be if the City notified ReCommunity of pending termination on September 30, 2012 to be made effective November 1, 2012?

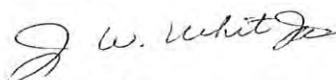
 **If the City selects another vendor and does not make an award to ReCommunity, the original terms of the contract will stand. Base on our interpretation of the contract the schedule buyout effective November 1, 2012 would be \$543,037.**

4. Would your BFO apply to a 3 year term?

 **Our best and final offer is valid for a 5 or 10 year contract**

If you have any further question, please feel free to contact us.

Thanks you,



Jerry White
Southeast Region Manager
ReCommunity Inc

September 28, 2012

Mr. Dale Wyrick, PE
Field Operations Director
401 Patton Ave.
Greensboro, NC 27406

Re: Greensboro Processing and Marketing of Recovered Recyclables – RFP #11-12
RFP Best and Final Offer (BFO) Evaluation Documents - UPDATE

Dear Mr. Wyrick:

Attached please find information supporting our review of the Best and Final Offer (BFO) proposals received in response to the City's RFP #11-12 for Processing and Marketing of Recovered Recyclables. Our evaluation transmitted to you under cover letter dated September 6, 2012, has been updated following receipt of responses to additional questions posed to ReCommunity and Waste Management to help further clarify several issues.

Background

The original proposals in response to RFP #11-12 were received on May 29, 2012. The Greensboro City Council was briefed on the financial offerings of the original proposals at a Council Work Session on July 24, 2012. On August 6, 2012, the City Council directed City staff to accept Best and Final Offers (BFOs) from Waste Management and ReCommunity. The BFOs were received on August 20, 2012. HDR transmitted our evaluation of the BFOs under cover letter dated September 6, 2012 (J. Reading to D. Wyrick). The Greensboro City Council was briefed on our evaluation of the BFOs at a Council Work Session on September 10, 2012. The Council also heard from both proposers at this Work Session and directed City staff to ask the proposers a few more questions to clarify issues about their BFOs. Responses to the questions were received from proposers on September 19, 2012.

ReCommunity: Changes to Our Original BFO Evaluation

After reviewing the responses received from ReCommunity on September 19, 2012, HDR's original financial evaluation of their BFO did not change. Our evaluation initially assumed a contract start date of April 1, 2013, allowing the current contract to run its course to avoid paying the early termination fee. Based on the clarifications provided by ReCommunity, they have agreed to start the new contract terms (assuming they are awarded the contract) on the first day of month immediately following contract executions. ReCommunity's agreement to start the terms of the contract early significantly improves the revenue to the City between now and April 1, 2013. This issue is discussed in more detail in later sections of this letter.

Waste Management: Changes to Our Original BFO Evaluation

The Waste Management evaluation of their BFO was adjusted to include consideration of using the revenue share values from their original proposal as described below.

Waste Management's original proposal did not state an ACR threshold, but \$42.15 per ton was used in their required sample calculation. During our initial review, HDR requested written clarification from Waste Management regarding their proposed ACR threshold and, on July 12, 2012, Waste Management confirmed that their intended ACR threshold was in fact \$42.15 per ton with a 60% revenue share to the City. As a reminder, the basis of the revenue share calculation is as follows:

$$(\text{Actual Monthly ACR} - \text{ACR Threshold}) * \text{Percent Revenue Share} = \text{City Revenue Share}$$

In Waste Management's BFO, the ACR threshold was increased to \$73 per ton and the revenue share percentage increased to 80%. After reviewing the potential revenue share to the City under these two scenarios, HDR determined that the Waste Management's original offer of \$42.15 and 60% is *more favorable* to the City for all ACR values up to \$165 per ton than the BFO offer of \$73 per ton ACR threshold and 80% revenue share. Following is an example that demonstrates this, using the average ACR value of \$102 per ton that Greensboro has experienced from 2007 through 2012.

$$\text{Waste Management original offer: } (\$102 - 42.15) \times 60\% = \$35.91 \text{ to City}$$

$$\text{Waste Management BFO: } (\$102 - \$73) \times 80\% = \$23.20 \text{ to City}$$

In the second example, since the revenue share is less than the floor rate of \$25 per ton offered by Waste Management, the City would get \$25.00. Even so, the revenue share to the City in Waste Management's original offer represents a 43% higher payment to the City than their BFO at an assumed ACR of \$102 per ton.

Based on this finding, HDR inquired whether Waste Management would honor their original ACR revenue share offer. Waste Management confirmed that they would honor their original May 29, 2012 offer in addition to their BFO offer. Therefore, HDR has revised the financial modeling to include the revenue share scenario from Waste Management's original proposal as well as that provided in their BFO.

Financial Model Results

The graphs provided at the end of this letter present the BFO evaluation with the original Waste Management offer added for comparison. Please refer to the HDR letter dated September 6, 2012, for the assumptions used to create these graphs. Figure 1 represents the estimated annual net revenue to the City using the revenue share contract terms from ReCommunity (blue), the Waste Management BFO (dark green), and the Waste Management original offer (light green). "Net" means the Waste Management model is burdened with the estimated incremental additional hauling cost. Figure 2 is the same, but for the fixed credit contract terms. Figures 3 and 4 represent the gross revenue potential for the revenue share and fixed credit options.

Contract Start Times & Costs

The contract start time was discussed during the September 10, 2012 Council Work Session. The current contract with ReCommunity expires March 31, 2013. ReCommunity provided the following response to Question 2, which inquired as to an earlier start date for the new contract:

“If awarded, ReCommunity will allow the City to start the new pricing terms with no penalty to exit the old contract. New pricing will begin the first day of the month immediately after the contract is signed by ReCommunity and the City.”

Based on this, there are three potential scenarios for the City relative to the contract start date.

1. Select ReCommunity and initiate the new contract terms on November 1, 2012 (the assumed earliest start date of a new contract).
2. Select Waste Management, buy out the ReCommunity contract, and initiate the new contract terms on November 1, 2012.
3. Select Waste Management, allow the ReCommunity contract to run its course, and defer initiation of the new Waste Management contract until April 1, 2013.

HDR modeled the expected revenue earned (numbers in parentheses represent a cost to the City) over the five month period from November 1, 2012 to April 1, 2013. In order to determine the difference in costs between the respective scenarios, you would need to select an ACR from two scenarios and subtract the difference.

Scenario 1: Select ReCommunity; new contract terms to begin on November 1, 2012

In the table below is the estimated amount of money earned in the first five months of a 5-year contract based on varying ACRs if the City chooses ReCommunity as its vendor.

5-month ACR	5-Month Net Revenue or (Cost)		
	ReCommunity Revenue Share	ReCommunity Fixed Credit	ReCommunity Fixed Credit Option 2
ACR = \$80	\$213,000	\$391,000	\$225,000
ACR = \$100	\$347,000	\$391,000	\$313,000
ACR = \$120	\$535,000	\$391,000	\$313,000
ACR = \$140	\$722,000	\$391,000	\$313,000
ACR = \$160	\$910,000	\$391,000	\$813,000

Scenario 2: Select Waste Management; buy out the ReCommunity contract; new contract terms to begin on November 1, 2012

In the table below is the estimated revenue earned in the first five months of a 5-year contract if the City contracts with Waste Management and buys out the current contract with ReCommunity and chooses

Waste Management as its vendor. The contract start date is November 1, 2012. The buyout cost used is \$543,000, as estimated by ReCommunity for the period November 1, 2012 through March 31, 2013.

5-month ACR	5-Month Net Revenue or (Cost)		
	Waste Management Revenue Share (BFO)	Waste Management Fixed Credit	Waste Management Revenue Share (Original Offer)
ACR = \$80	(\$417,000)	(\$417,000)	(\$417,000)
ACR = \$100	(\$417,000)	(\$417,000)	(\$296,000)
ACR = \$120	(\$259,000)	(\$417,000)	(\$145,000)
ACR = \$140	(\$59,000)	(\$417,000)	\$5,000
ACR = \$160	\$141,000	(\$417,000)	\$155,000

Included in the table above is the net revenue generated by the recyclables processed, and one-time credits including the \$75,000 education grant offered by WM (in the first month), and \$66,000 for solar compactors offered by WM (in the third month), and the one-time cost (\$240,000) for buying a truck (in the first month).

Scenario 3: Select Waste Management; allow ReCommunity contract to run its course; new contract terms to begin on April 1, 2013

In the table below is the estimated revenue earned in the first five months of a 5-year contract if the City keeps the current contract with ReCommunity through the end of the contract term and chooses Waste Management as its vendor. The contract start date is April 1, 2013.

In this scenario, all Waste Management offers are burdened with the current ReCommunity contract costs paid by the City from November 1, 2012 through March 31, 2013. The shaded column entitled "Current Contract Costs" provides those costs at a specific ACR.

5-month ACR	5-Month Net Revenue or (Cost)			
	Current Contract Costs	Waste Management Revenue Share (BFO)	Waste Management Fixed Credit	Waste Management Revenue Share (Original Offer)
ACR = \$80	(\$383,000)	(\$257,000)	(\$257,000)	(\$257,000)
ACR = \$100	(\$283,000)	(\$157,000)	(\$157,000)	(\$36,000)
ACR = \$120	(\$183,000)	\$101,000	(\$7,000)	\$215,000
ACR = \$140	(\$83,000)	\$401,000	\$43,000	\$465,000
ACR = \$160	\$17,000	\$701,000	\$143,000	\$715,000

Included in the WM columns in the table above is the net revenue (or cost) generated by the recyclables processed by ReCommunity from November 1, 2012 through March 31, 2013, and one-time credits including the \$75,000 education grant offered by WM (in the first month), and \$66,000 for solar compactors offered by WM (in the third month), and the one-time cost (\$240,000) for buying a truck (in the first month).

Contract Terms

The contract terms were also discussed during the September 10, 2012, Council Work Session. Based on the September 19, 2012, responses from the proposers ReCommunity is offering 5 and 10-year contract terms and Waste Management is offering 3, 5, and 10-year contract terms. Waste Management indicated they would also offer two 1-year extension options for the 3-year contract term.

Conclusions

Based on review of the Best and Final Offers and the September 19, 2012 responses provided by ReCommunity and Waste Management, HDR finds that the ReCommunity proposal continues to provide greater net revenue potential to the City for all scenarios modeled. Additionally, with ReCommunity's agreement to start the new pricing terms with no penalty for exiting the old contract, the revenue differential to the City between November 1, 2012 and March 31, 2013 is significantly greater than either Waste Management scenarios which would require the City to either pay an early termination fee to ReCommunity, or honor the less favorable terms of the current ReCommunity contract through its current expiration date.

If you have any questions regarding this information, please feel free to contact me.

Respectfully submitted,

HDR Engineering, Inc. of the Carolinas

A handwritten signature in blue ink, appearing to read "Joe Readling". The signature is fluid and cursive, with a large initial "J" and "R".

Joseph Readling, PE, VP

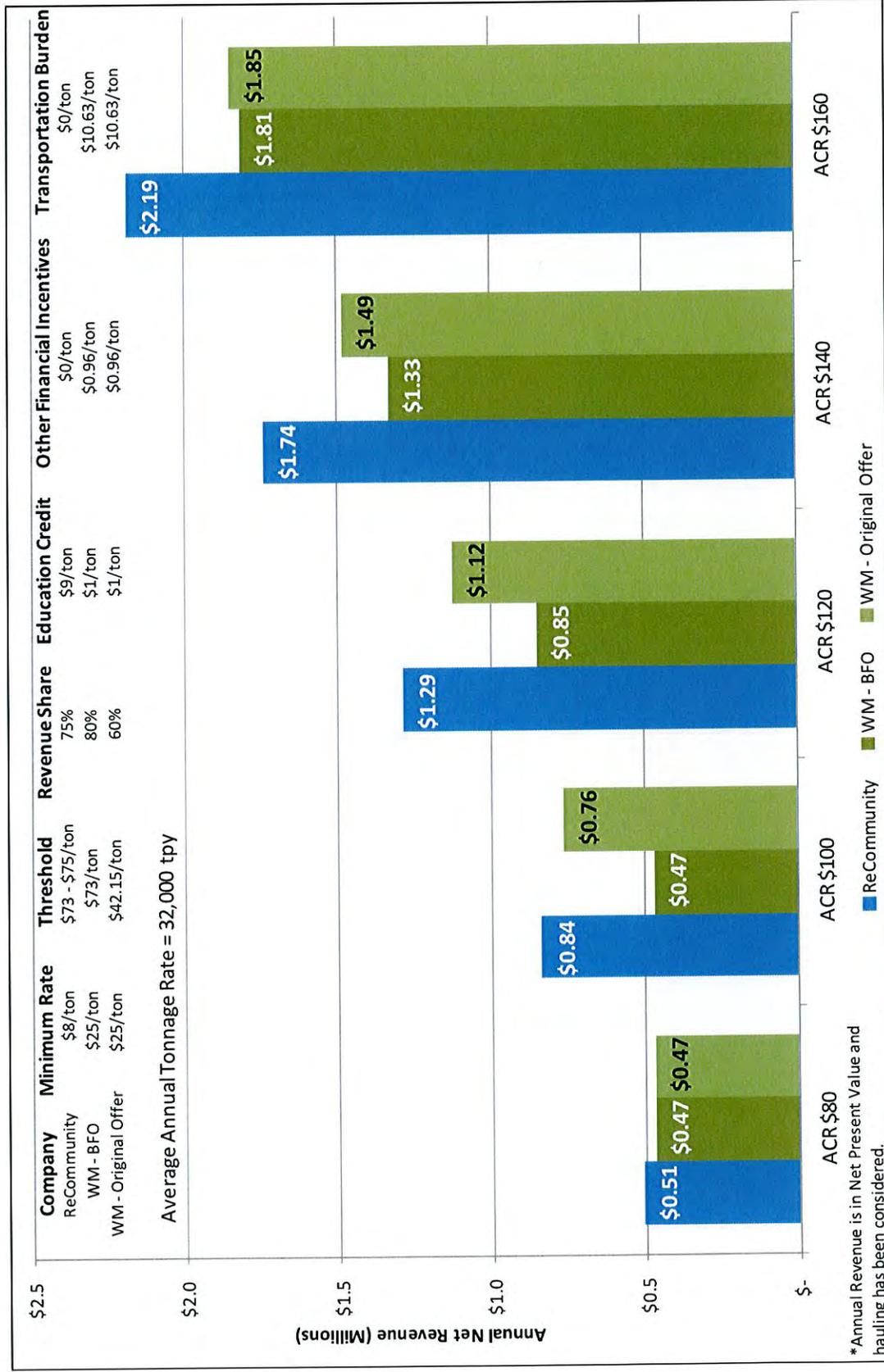


Figure 1 Annualized Net Revenue Estimate for a 5 Year Revenue Share Contract

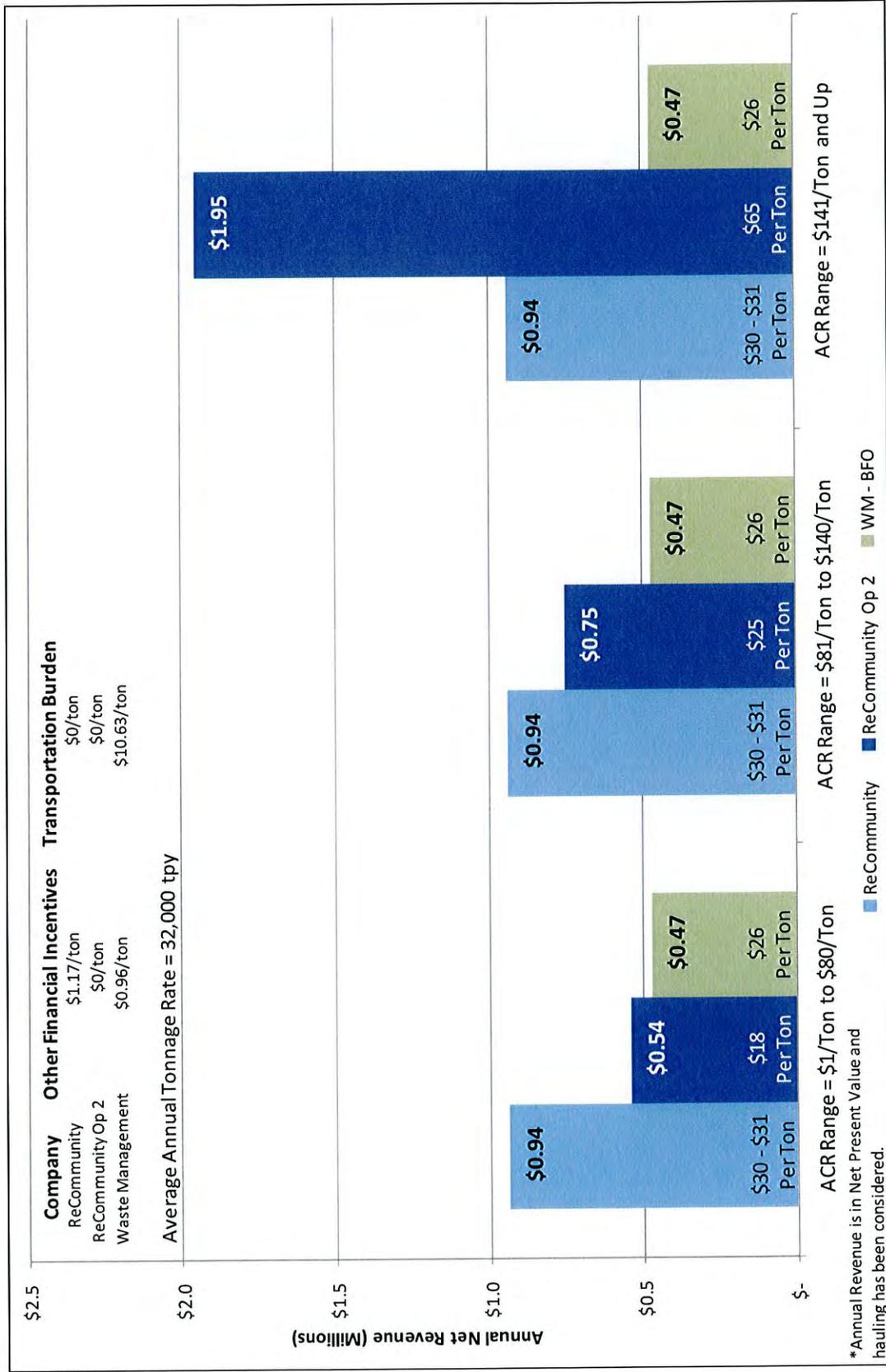


Figure 2 Annualized Net Revenue Estimate for a 5 Year Fixed Credit based on ACR Range Contract

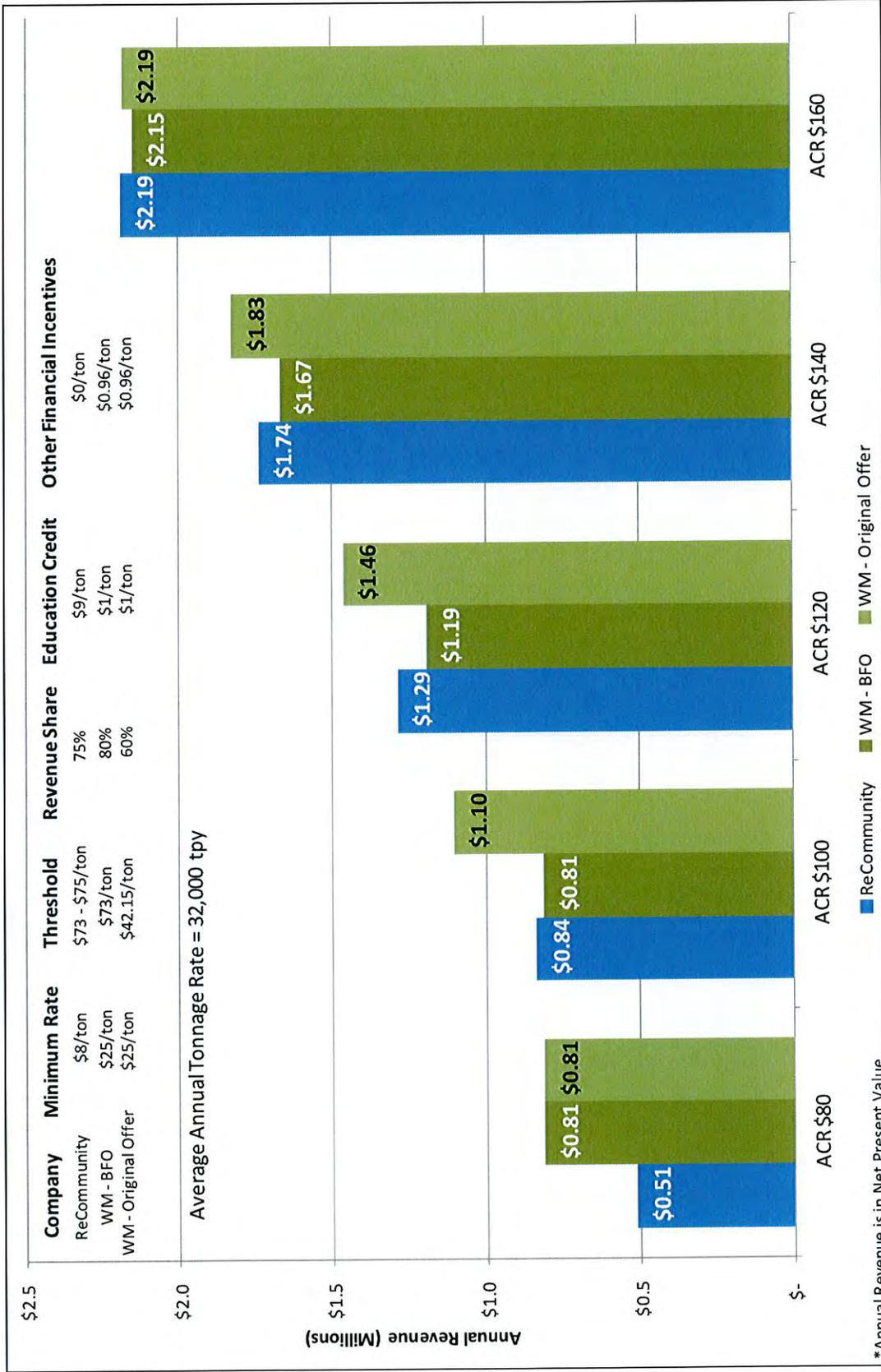


Figure 3 Annualized Gross Revenue Estimate for a 5 Year Revenue Share Contract

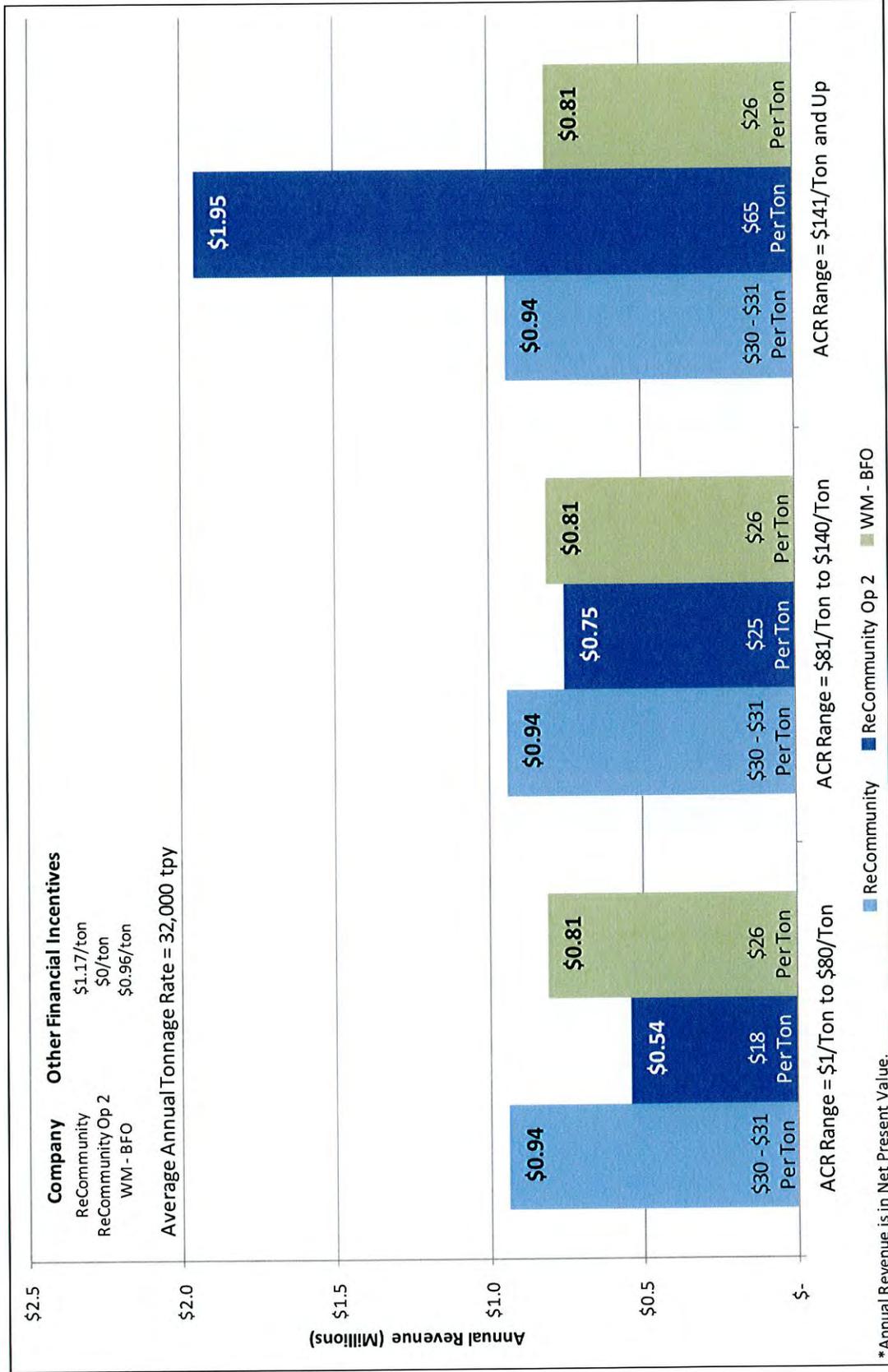


Figure 4 Annualized Gross Revenue Estimate for a 5 Year Fixed Credit based on ACR Range Contract



ATTACHMENT 4

Sept 17, 2012

Ms. Denise Turner Roth
City Manager, City of Greensboro
City Municipal Complex
300 West Washington Street
Greensboro, NC 27401

Subject: RFP #11-12 for Processing and Marketing of Recovered Recyclables (RFO) for the City of Greensboro, NC

Dear Ms. Turner Roth:

Waste Management (WM) appreciates the opportunity to submit the following comments regarding the most recent evaluation (Sept 10) of the Best and Final offers for RFP # 11-12-Processing and Marketing of Recovered Recyclables. As previously stated and with all due respect, we maintain the opinion that HDR Engineering's recommendation, intentional or unintentional, contains several critical flaws and is not in the best interest of the City of Greensboro. We feel the weighted values of the financial incentives were unfairly prejudiced in favor of ReCommunity. For these reasons, WM is asking the City to reconsider their response. We feel that once you have done so, you will see that WM offers the best value to the City of Greensboro.

1. City Income: Fixed Revenue Directly to the City and Protection:

The City's Annualized Revenue was computed in the various Average Commodity Revenue (ACR) scenarios based on a payment to the City from ReCommunity of \$8.00 per ton floor plus a \$9.00 per ton education credit. This represents a guaranteed payment to the City of \$17.00 per ton no matter how low the ACR. After closer evaluation and ReCommunity's presentation on Monday 10 Sep 2012, we believe that ReCommunity's \$9.00 per ton credit is simply accrued value, and not actual revenue paid to the City. These "reward" dollars could ONLY be used to execute ReCommunity's education/marketing offerings such as facility tours, educational brochures, virtual tours and their Recycling Perks program. No pricing was offered by ReCommunity as to what the City would be charged for each item for their menu of education and marketing services. To be clear, we do not believe this \$9.00 per ton education



Public Sector Solutions
Opening a world of solutions for your environmental needs.



credit to be actual dollars that the City would receive as a rebate to do with as they choose. Therefore, ReCommunity's actual offer is a low \$8.00 per ton floor, affording minimal protection to the City. On the other hand, WM's \$1.00 education rebate is actual revenue to the City which can be used for education or anything else the City chooses. It also increases our \$25.00 per ton floor to a \$26.00 per ton protection for the City during this down market.

Excluding all consideration of both proposers' education and marketing credits, the current low ACR would compute ReCommunities \$8.00 per ton floor X 30,000 annual tons and would position their true revenue to the City at \$240,000. Conversely, WM's \$26 per ton floor X 30,000 annual tons would result in \$780,000 true revenue to the City. In HDR's presentation, this misrepresentation significantly tipped the scales in defining which competitor is offering true revenue to the City. WM's proposal clearly offers the best protection to the City of Greensboro in this current or any future declining markets.

When you exclude the value of education and marketing credits from both proposers to the direct revenue back to the City, you get a true comparison which shows WM as a clear winner in any ACR scenario. This is demonstrated in Appendix 1.

2. Three-Year Term and Delayed Start:

Based on the City's inquiry and interest in a shorter contract term, WM is prepared to offer our Best and Final at a Three-Year term. This affords the flexibility the City seeks to align all their environmental services and better positions them for future sustainable solution opportunities and growth.

If the City is willing to contract with WM in the next 30 days, we are prepared to delay the start of the contract to coincide with the expiration of your current contract term (April 1, 2013). This would afford protection to the City from ReCommunity's astronomical \$1,300,000 buyout figure. However, if the City is prepared to contract with WM immediately, we are able to start right away!

We believe accommodating a delayed start of a new contract with ReCommunity, unnecessarily decrease City resources and preclude the immediate rebate potential. ReCommunity should be held to the same standard as all proposers and not be allowed to deviate from the six-week contract initiation period as stated in RFP #11-12. Furthermore, ReCommunity eschewed from its original offer at the February 28, 2012, council meeting when they stated they were prepared to renew their contract nine months early at a savings of \$1M to the City. The current request for a delayed start date of April 1, 2013, as well as, a request for \$1.3M buy-out, demonstrates inconsistency and instability during the pressures of a down commodity market.

WM is financially stable, agile and ready to adjust to the changing needs of the City to minimize your risk and optimize your revenue.



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3. Transportation:

The City's most viable option is to direct-haul recyclables from City routes to our new state-of-the-art Materials Recovery Facility (MRF) located in eastern Forsyth County. We believe HDR's analysis grossly overestimated this transportation option at \$11.00 per ton. Their assertion that the City needs to add another Recycling vehicle to its existing eight-vehicle fleet in order to collect recyclables from Greensboro's 80,000 households and transport them to our MRF is incorrect. Our comprehensive routing expertise with operating a 21,000 plus vehicle fleet as the largest solid waste provider in North America is unsurpassed. WM believes the City of Greensboro does NOT need to add a 9th route to its recycling fleet to transport recyclables to our MRF. Furthermore, by partnering with WM, the City can streamline the current routes and likely reduce the vehicle fleet to seven. WM is prepared to offer our best routing analysts to collaborate with your staff in maximizing the efficiency of both your recycling and commercial routes. This analyst service, which is valued at more than \$75,000 per year would bring significant cost savings to the City and would be offered at no charge as part of WM's Three-Year contract.

4. Education and Marketing Value

HDR's analysis excluded assigning a monetized value to education/marketing and other financial benefits in the WM proposal. These included; "RecycleBank" Citizen rewards program, (WM subsidized 50% so the City could implement) MRF Education Center capabilities, closed circuit (real-time) video monitoring, recycling coordinators and a myriad of school educational offers. This represented a \$13.42 per ton value to the City. Conversely, ReCommunity was assigned a monetized value in the \$9.00 per ton credit for their educational offerings; "Recycle Perks" reward program and a Recycling Coordinator, by HDR's analysis.

To date, WM's full economic value and enhanced revenue for increased volumes and efficiencies have not been adequately portrayed in any analysis. To be fair, the analysis needs to compare and assign value of the proposal offerings consistently.

In conclusion, we believe HDR's misrepresentations of true revenue presented to the City of Greensboro from competing proposals, as well as, the overestimation of WM's transportation expenses, severely flawed and unfairly skewed the RFP recommendation in favor of ReCommunity.

We would also like to extend an invitation to you, the Mayor and Council to tour our facility at any time. We feel confident this will further validate our proposal and solidify that the City's maximum value for recyclables processing is best served by WM.



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WM is a true partner offering the City of Greensboro enhanced opportunity, mitigated risk, increased revenue and true value from day one. We are immediately ready to service the citizens of Greensboro, and we understand the importance of remaining flexible and agile to accommodate the City's changing environmental landscape. Our demonstrated experience, validated partnerships, financial strength and sustainable capabilities define WM as the clear, best and final choice for the City of Greensboro.

In this regard, I will be immediately available to answer any questions that you may have and arrange an immediate opportunity to present our response in person at a suitable time.

Respectfully,



Tracey Shrader

Area Vice President

Attachment: Appendix 1 True Value chart

cc: Mujaab Shah-Khan, City Attorney

Mike Speedling-Assistant City Manager

Dale Wyrick-Field Operations Director

Stan Joseph-WM Public Sector



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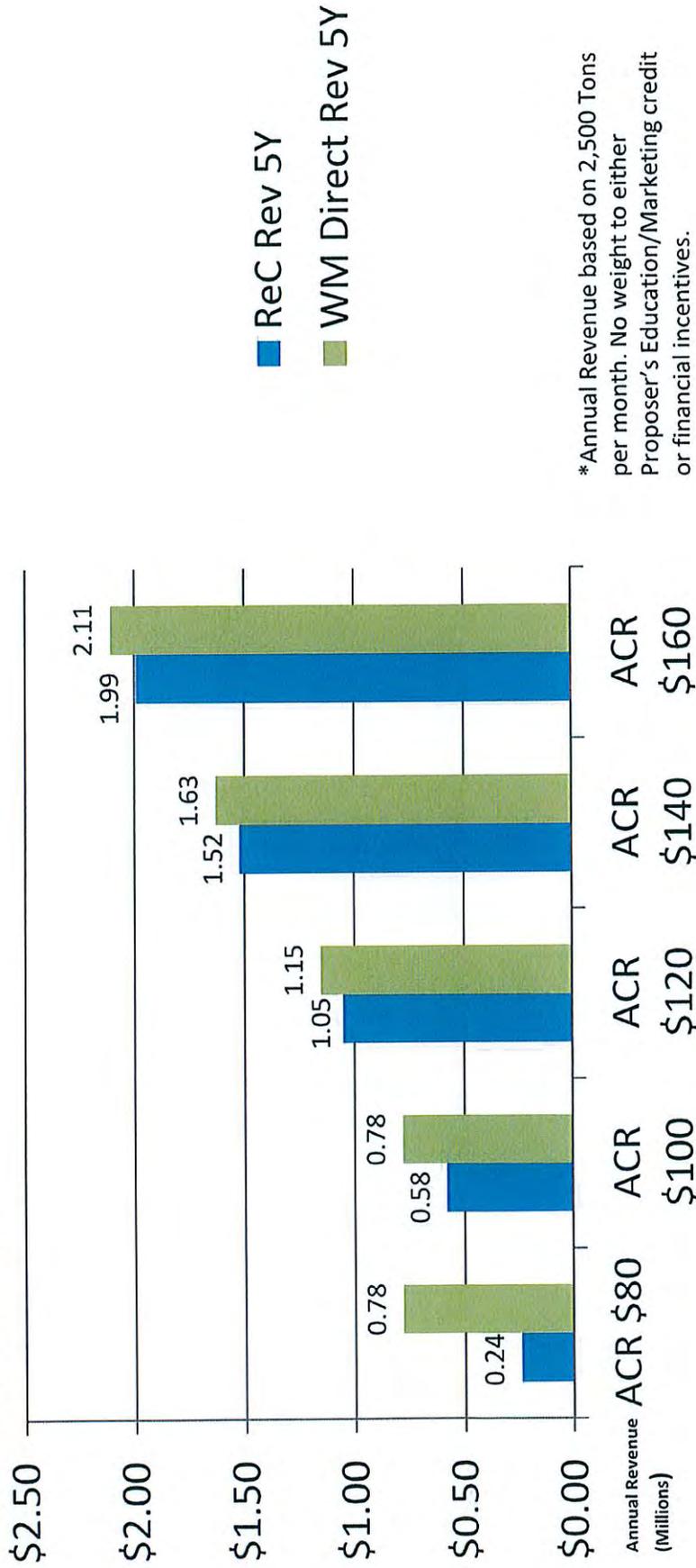


APPENDIX 1

Annualized Revenue Estimate 5 Year Contract (Revenue Share)*

Company	Minimum Rate	Threshold	Revenue Share	Education Credit	Other Financial Incentives
ReCommunity	\$8/ton	\$73-\$75/ton	75%	\$0/ton	\$0/ton
Waste Management	\$26/ton	\$73/ton	80%	\$0/ton	\$0/ton

Average Annual Tonnage Rate = 30,000 tpy



*Annual Revenue based on 2,500 Tons per month. No weight to either Proposer's Education/Marketing credit or financial incentives.

September 25, 2012

Mr. Dale Wyrick, PE
Field Operations Director
401 Patton Ave.
Greensboro, NC 27406

Re: Greensboro Processing and Marketing of Recovered Recyclables - RFP #11-12
RFP Evaluation Documents

Dear Mr. Wyrick,

HDR is in receipt of the September 17, 2012, letter from Mr. Stan Joseph of Waste Management to City Manager Roth related to RFP #11-12 for Processing and Marketing of Recovered Recyclables. I thought it might be helpful to provide a response to certain aspects of Mr. Joseph's letter to clarify the basis of our analysis and financial modeling of the proposals received.

Excerpts from Mr. Joseph's letter are provided in *italics* below with HDR's responses immediately following.

Excerpt 1 (from Item 1 of the 9/17 letter)

"The City's Annualized Revenue was computed in the various Average Commodity Revenue (ACR) scenarios based on a payment to the City from ReCommunity of \$8.00 per ton floor plus a \$9.00 per ton education credit. This represents a guaranteed payment to the City of \$17.00 per ton no matter how low the ACR. After closer evaluation and ReCommunity's presentation on Monday 10 Sep 2012, we believe that ReCommunity's \$9.00 per ton credit is simply accrued value, and not actual revenue paid to the City. These "reward" dollars could ONLY be used to execute ReCommunity's education/marketing offerings such as facility tours, educational brochures, virtual tours and their Recycling Perks program. No pricing was offered by ReCommunity as to what the City would be charged for each item for their menu of education and marketing services. To be clear, we do not believe this \$9.00 per ton education credit to be actual dollars that the City would receive as a rebate to do with as they choose."

Response 1

The statements regarding how the City may use the ReCommunity education/marketing credit are incorrect. This issue was clarified verbally during the interview with ReCommunity on August 31, 2012, and again in writing by ReCommunity (letter from J. White to J. Readling dated September 19, 2012, response to Question 1). Following is an excerpt from the ReCommunity letter:

"We recommend the city use these funds [referring to the \$9 or \$10 per ton education/marketing credit offered in ReCommunity's Best and Final Offer Price Forms] in whole or in part to promote and expand the recycling program, because a recycling program grows best with a continuous, supported education component. Contractually, however, the city can use the money as it wishes."

Based on this information, HDR stands behind our decision to monetize the \$9 or \$10 per ton education/marketing credit in the financial modeling for ReCommunity, just as we monetized the \$1 per ton education/marketing credit in the financial modeling for Waste Management.

Excerpt 2 (from Item 2 of the 9/17 letter)

“ReCommunity should be held to the same standard as all proposers and not be allowed to deviate from the six-week contract initiation period as stated in RFP #11-12.”

Response 2

During the ReCommunity interview on August 31, 2012, ReCommunity stated that their proposal was based on a start date of April 1, 2013 (immediately following expiration of their current contract). During the Council Work Session on September 10, 2012, ReCommunity was questioned regarding this issue and indicated willingness to discuss the contract start date. Subsequently, HDR requested a written clarification from ReCommunity, which was provided in the letter from J. White to J. Reading dated September 19, 2012 (response to Question 2 (a)). Following is an excerpt from the ReCommunity letter:

“If awarded, ReCommunity will allow the City to start the new pricing terms with no penalty to exit the old contract. New pricing will begin on the first day of the month immediately after the contract is signed by ReCommunity and the City.”

Based on this response, if the City were to execute a new contract with ReCommunity by the end of October, the improved contract terms would initiate November 1, 2012. Conversely, if the City were to execute a new contract with Waste Management by November 1, the City would need to either:

- 1) defer initiation date of the contract until April 1, 2013, to let the current contract run its term and avoid paying an early termination fee to ReCommunity; or
- 2) initiate the new Waste Management contract before April 1, 2013, and address the early termination fee with ReCommunity.

Excerpt 3 (from Item 3 of the 9/17 letter)

The City's most viable option is to direct-haul recyclables from City routes to our new state-of-the-art Materials Recovery Facility (MRF) located in eastern Forsyth County. We believe HDR's analysis grossly overestimated this transportation option at \$11.00 per ton. Their assertion that the City needs to add another Recycling vehicle to its existing eight-vehicle fleet in order to collect recyclables from Greensboro's 80,000 households and transport them to our MRF is incorrect. Our comprehensive routing expertise with operating a 21,000 plus vehicle fleet as the largest solid waste provider in North America is unsurpassed. WM believes the City of Greensboro does NOT need to add a 9th route to its recycling fleet to transport recyclables to our MRF. Furthermore, by partnering with WM, the City can streamline the current routes and likely reduce the vehicle fleet to seven. WM is prepared to offer our best routing analysts to collaborate with your staff in maximizing the efficiency of both your recycling and commercial routes. This analyst service, which is valued at more than \$75,000 per year would bring significant cost savings to the City and would be offered at no charge as part of WM's Three-Year contract.

Response 3

Determining the additional cost to the City to haul its recyclables to a more distant MRF is an important aspect of the financial analysis. Based on our detailed review of hauling options, HDR agrees with Mr.

Joseph's *revised* assertion that direct haul is the most viable way to deliver recyclables to the Waste Management MRF in eastern Forsyth County. As you know, HDR reviewed both direct hauling and use of the City's Municipal Solid Waste Transfer station in our initial analysis. We did this because Waste Management's *original* proposal recommended use of the transfer station as the most viable way to deliver recyclables to their MRF. Following is an excerpt from page 19 of Waste Management's original proposal, which explains their original recommendation.

"Waste Management will accept recyclable materials in truckload quantities [meaning tractor trailers as opposed to City collection trucks] at the new Waste Management greater Piedmont Regional MRF if the City wishes to utilize their transfer station to reduce drive time. Waste Management recommends this approach for efficiency's sake and has proposed a fixed floor and freight allowance to ensure the City always receives a good rebate it can count on. The City's transfer station is underutilized, so there is little increase in direct cost. The station is about 12 miles from the Winston Salem MRF [the actual distance is about 15 miles], so local freight per trip will be low and the City will not lose route productivity from direct deliveries from more eastern parts of the City."

Waste Management initially stated that using the transfer station would be most efficient, and now they are saying that direct hauling would be most efficient (and we agree). There are several issues worthy of clarification regarding estimated hauling cost. Our methodology for analyzing additional hauling costs to deliver recyclables to the Waste Management MRF was explained in our original analysis transmitted to you under cover letter dated July 23, 2012, and again in our analysis of Best and Final Offers (BFO's) transmitted to you under cover letter dated August 6, 2012.

Regarding use of the transfer station, HDR estimated it would cost about \$10 per ton to perform the hauling. But before the material can be hauled from the transfer station, it must be loaded on the trucks. It currently costs the City about \$6 per ton to operate the transfer station. HDR used a value of half, or \$3 per ton, as an assumed incremental additional cost to the City to manage the additional transfer operation of loading recyclables. This resulted in a combined loading and hauling estimate of $\$10 + \$3 = \$13$ per ton. As stated in our analysis, we believe our estimate of additional hauling cost from the transfer station to the Waste Management MRF to be on the low side (i.e., favorable to Waste Management's financial analysis). In Waste Management's BFO, they offered to perform the hauling from the transfer station for a fee of \$16.22 per ton. If this is a reliable estimate, it overwhelmingly confirms that our estimate of around \$10 per ton for the hauling is low, not high.

Regarding the direct haul analysis, this was a joint effort by City staff and HDR. Staff utilized its fleet routing software to determine the incremental additional time, mileage, and fuel required for each truck to travel from each route to the more distant MRF. Most of the trucks make two trips a day to the MRF. HDR then took this information including additional drive times, estimated driver wages, and City fuel prices (which are not taxed like consumer fuel), and estimated the incremental additional costs to be about \$10-11 per ton to direct haul to the Waste Management MRF. This estimate included the purchase of an additional collection vehicle (prorated over the contract term), which is needed due to the reduced fleet productivity caused by traveling to the more distant MRF. Waste Management has asserted to Council that the cost is closer to \$7 per ton, and ReCommunity has asserted that our value of \$10-11 is low, citing that we omitted additional fleet maintenance costs and more frequent replacement cost that would be experienced due to the additional miles per year traveled by the fleet. We believe our estimate

for direct hauling again errs on the low side, so as not to unfairly burden the Waste Management financial model.

There is a separate issue regarding fleet *efficiency* that has also been raised by Waste Management. They have repeatedly asserted to staff and Council (and again restated in Mr. Joseph's letter) that the City's collections and routing operations are not performing efficiently and that with some attention to routing efficiency the City would not need to add another collection vehicle to deliver recyclables to their more distant MRF. With regard to our analysis, HDR has *not* performed an efficiency study of the City's current collections and routing, so we cannot weigh in on the debate regarding how many trucks the City should be currently operating. However, the fact that it will take more time and resources to deliver every load of recyclables to 280 Business Park Drive in Winston-Salem than it does to deliver to 706 Patton Avenue in Greensboro is undisputable. For this reason, I believe the estimated *incremental additional cost* HDR has estimated is reasonable, *regardless* of whether or not the City needs to add an additional truck to go to the Waste Management MRF. My belief is based on the following: if, through route modifications and efficiency improvements, you can deliver recyclables to the Waste Management MRF without *adding* an additional collection vehicle, then, using the same routing modifications and efficiency improvements, you should be able to deliver recyclables to the much closer ReCommunity MRF using at least *one less* collection vehicle than you currently use. With respect to the financial modeling, HDR is trying to derive the financial *difference* between the Waste Management and ReCommunity offers, so there is still the *difference* of one collection vehicle between delivering recyclables to the more distant Waste Management MRF vs. the closer ReCommunity MRF.

Based on the explanations above, we continue to believe that the hauling issues have been fairly represented in our analysis.

Excerpt 4 (from item 4 of the 9/17 letter)

"HDR's analysis excluded assigning a monetized value to education/marketing and other financial benefits in the WM proposal. These included; "Recycle Bank" Citizen rewards program, (WM subsidized 50% so the City could implement)..."

Response 4

Recycle Bank is a payment-for-service incentive program to enhance recycling participation. Waste Management has claimed that they are subsidizing this program at a value of \$288,000 per year and they have monetized that amount in presentations made to Council and in the financial explanations in Mr. Joseph's letter. HDR monetized the \$1 per ton education/marketing credit, the \$75,000 first year education grant, and the solar compactors (valued at \$66,000) included in Waste Management's BFO, but did not monetize the Recycle Bank program offer.

The reasons the Recycle Bank program was not monetized by HDR include:

- 1) During our evaluation, City staff related that they had had discussions with Recycle Bank representatives a couple of years ago, and the cost of the program offered was almost identical to the program cost proposed by Waste Management in their original proposal and their BFO. (Waste Management has asserted that the City would not get the same price now directly from Recycle Bank that they offered earlier to the City and HDR has not evaluated this further). Either way, the City decided at that time to pass on the offer from Recycle Bank, suggesting that there was not compelling interest in the program to proceed.

- 2) There are other incentive programs that are available, and the City may want to explore other options before contracting for a specific program. (i.e., in ReCommunity's BFO they offered a similar program called Recycling Perks).
- 3) This incentive-type program was not explicitly solicited in the RFP and so it is not the primary focus of the evaluation. Therefore, the incentive programs were considered more as "added value" elements of both proposals.
- 4) Following receipt of the BFO's, HDR asked Waste Management if they would offer the Recycle Bank subsidy (that they valued at \$288,000 per year) as a direct payment to the City if the City were not interested in contracting with Recycle Bank. They said no.

For the reasons stated above HDR did not monetize the Recycle Bank incentive program offer from Waste Management in the financial modeling, nor did we do so for the Recycling Perks program suggested by ReCommunity. If the City prefers that HDR address this issue in another manner, please advise, and we can do so.

Excerpt 5 (from item 4 of the 9/17 letter)

[HDR's analysis excluded assigning a monetized value to] "...MRF Education Center capabilities, closed circuit (real-time) video monitoring, recycling coordinators and a myriad of school educational offers."

Response 5

In presentations to staff and Council, and in Mr. Joseph's letter, Waste Management has credited (monetized) their offer with \$500,000 (\$100,000 per year on a five year contract) for the education center that is under development at their MRF. HDR did not monetize the education center in our financial modeling for the following reasons.

- 1) The education center does not directly provide revenue to the City.
- 2) The education center is being developed by Waste Management regardless of whether the City contracts with them.
- 3) The ReCommunity MRF also has an education center, and it was not monetized in the financial model.
- 4) At least one Council member expressed concern over how school students from Greensboro would be able to access the more remote location (citing travel costs) of the Waste Management facility as compared to the more proximally located ReCommunity MRF and education center.

Again, while the importance of an educational component related to recycling programs is undisputed, the intent of the financial modeling is to discern the *differences* between the offers. As both companies are well qualified experts in the recycling field, both have education centers at their MRF's, and both have a depth of educational resources, we considered these added value features to be generally offsetting between the two companies.

Excerpt 6 (from Item 4 of the 9/17 letter)

Conversely, ReCommunity was assigned a monetized value in the \$9.00 per ton credit for their educational offerings; "Recycle Perks" reward program and a Recycling Coordinator, by HDR's analysis."

Response 6

See Response 1 regarding the \$9.00 per ton credit and why it was monetized.

See Response 4 regarding Recycling Perks rewards program. It was *not* monetized in the ReCommunity model.

Regarding the Recycling Coordinator, Price Form 6 of ReCommunity's BFO clarifies that for their fixed rate options (Price Forms 2 and 4), the dedicated Recycling Coordinator offered in their original proposal remained valid. HDR only monetized the coordinator in these options, (at a value of \$37,500 per year; the midpoint of the value suggested by ReCommunity) and not in the options that proposed the \$9.00 per ton (Price Forms 1 and 3) or \$10.00 per ton (Price Forms 2 and 4 for Option 2) education/marketing credit. Our analysis therefore aligns properly with the basis of the ReCommunity offer.

Excerpt 7 from the closing paragraphs of the 9/17 letter)

"To date, WM's full economic value and enhanced revenue for increased volumes and efficiencies have not been adequately portrayed in any analysis. To be fair, the analysis needs to compare and assign value of the proposal offerings consistently.

In conclusion, we believe HRD's misrepresentations of true revenue presented to the City of Greensboro from competing proposals, as well as, the overestimation of WM's transportation expenses, severely flawed and unfairly skewed the RFP recommendation in favor of ReCommunity."

Response 7

Based on the information provided in the responses above, HDR believes our evaluation fairly represents the offers from Waste Management and ReCommunity for processing and marketing of the City's recyclables. It must be stated that both firms are imminently qualified to perform the requested services, and both offers represent a very bright financial future for the City of Greensboro related to its recycling program. Considering the explanations above, our evaluation of the original proposals, the Best and Final Offers, and the subsequent clarifications from both firms, we continue to believe that the ReCommunity offer will provide superior financial return to the City.

Our goal as always is to provide fair and balanced technical support to the City. Should staff or Council feel that any element of our evaluation does not meet that standard, we stand ready to discuss and reconcile any issues you may have.

Respectfully Submitted,

HDR Engineering, Inc. of the Carolinas



Joseph Readling, PE, VP



RE Community Holdings II, Inc.
809 West Hill Street, Suite A
Charlotte, NC 28208
(704) 697-2000

September 19, 2012

Denise Turner Roth
City Manager, City of Greensboro
PO Box 3136
Greensboro, NC 27402-3136

Dear City Manager:

Thank you for the opportunity to respond to the City's request for a Best and Final Offer for recycling services. After the presentations on Monday, September 10, we would ask you and the City Council to consider the following facts.

ReCommunity's fixed price offer is \$2.34 million better than Waste Management's.

- ☛ In our fixed price offer, ReCommunity will pay the City a fixed rate of at least \$30 per ton.
- ☛ Our facility is located in Greensboro adjacent to the City's field office, so there is NO negative transportation cost impact to the City.
- ☛ Waste Management has offered the City a fixed-rate of \$26 per ton. According to your consultant's estimate, it will cost \$11 per ton to transport the material to Waste Management's facility in Winston-Salem. Subtract that \$11 in cost from Waste Management's \$26 offer and the net value of WM's offer to the City is \$15 per ton.
- ☛ ReCommunity's payment offer of \$30 per ton is \$15 per ton more than the Waste Management offer to the City. If the City recycles 31,200 tons a year as in the Best and Final Offer, this means that ReCommunity's offer is \$468,000 per year better than Waste Management's offer—or **\$2.34 million** better over the contract term of five years.
- ☛ To clear up any confusion surrounding transportation costs: even if Waste Management's transportation cost was zero, ReCommunity's offer still is better.

ALL ReCommunity offers are better for the taxpayer than Waste Management's offers.

- ☛ In the Best and Final Offer request, the City asked both companies to answer very specific scenarios, including fixed-rate and market-based bids. Your consultant and staff studied the responses carefully and found ReCommunity's fixed-rate and market-based offers all are better financial deals for the City. Five-year results for each deal follow:
 - ☛ **Fixed deal is at least \$2.34 million better than Waste Management.**
 - ☛ **Market deal is at least \$2.2 million better than Waste Management.**

ReCommunity now offers the City NO termination penalty with the new contract.

- ☛ ReCommunity will allow the City to start the new pricing terms with no penalty to exit the old contract. New pricing will begin the first day of the month immediately after the contract is signed by ReCommunity and the City.

ReCommunity will agree to a five-year contract.

- ☛ The City requested offers for both a five-year term and a ten-year term. We submitted offers for five years and ten years, and will agree to either term.

ReCommunity employs 65 people in East Greensboro.

- ☛ With a \$2 million payroll, ReCommunity has been a long-time corporate citizen of Greensboro. We employ 65 people at our facility in East Greensboro, where job creation is one of the City's primary goals. We are proud to be a part of the solution.

ReCommunity will immediately accept "all plastic containers," pizza boxes, milk cartons.

- ☛ We are prepared to immediately accept more recycled materials, including all plastic containers, milk cartons and pizza boxes. We will make the necessary accommodations to ensure these materials are recovered. Also during our retrofit, these materials still will be recovered by the interim processing facility, so no product will be lost.

ReCommunity plans \$4 million to upgrade to a state-of-the-art facility in Greensboro.

- ☛ This new state-of-the-art system will incorporate the latest in recovery technology, allowing us to recover additional material out of the waste stream. This will enable the City to recycle more and to be paid more revenue.

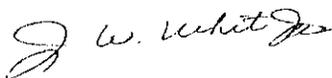
Greensboro and ReCommunity have created a model recycling program over 20 years.

- ☛ Our company has been an excellent partner with the City of Greensboro for more than 20 years, dating back to 1992 when we won a competitive bid procurement to process the City's recyclables. We have worked with City staff to pioneer and create a model recycling program that has been adopted by nearly all of our competitors, including our competitor in this bid. We have never let the City down. We have honored each contract renewal with the City. The contract was renewed in 2002 and 2007, and both times the contract terms have been approved by City staff, Council and Mayor. At each renewal, the City had the option to go to RFP, but it found ReCommunity to be the best overall value to the City during each time period. ReCommunity has improved contract terms for the City, paralleling the improvement in the recycling commodity markets and technology.

Best Value, Proven Partner, Innovator

- ☛ ReCommunity's bid is by far the best proposal both financially and operationally. By conservative estimates, it will pay the city \$2.34 million more than Waste Management's fixed proposal. We are a proven partner, willing to work with the City and to help create new ways to increase citizen participation in the program. ReCommunity looks forward to continuing to provide excellent service and proven value to the citizens of Greensboro.

Sincerely,



Jerry White
Southeast Regional Manager
ReCommunity Inc.



ReCommunity
 809 West Hill Street
 Charlotte, NC 28208
 704.697.2000

RECEIVED
 9-27-12
[Handwritten Signature]

Setting the Record Straight

During the public debate regarding the recycling contract for Greensboro, ReCommunity has been wrongly accused of treating the city unfairly. We ask you to consider the following.

Single Stream curbside collection saved Greensboro millions of dollars over the past 18 years.

- Greensboro's single stream MRF has been operating since 1993. Dual stream collection requires more work by the homeowner as well as the collector compared to single stream. Experts estimate that single stream collection saves approximately \$50 per ton in collection costs compared to dual stream (two-sort). The City of Winston-Salem has saved over \$100,000 per month or roughly \$100 per ton by changing from dual stream collection to single stream collection this year.
- By giving the City of Greensboro the ability to collect single stream, ReCommunity helped save the City between \$10 and \$25 million over the past 18 years. This estimate also takes into account Greensboro's change from weekly collection of recyclables to bi-weekly collection about 5 years ago.
- By contrast, most municipalities ran dual stream collection programs for most of those years, and they incurred much higher collection costs and smaller diversion rates as a result. For the most part, those municipalities have started to catch up with single stream collection over the past five years. For example, Winston-Salem did not start single stream collection until last year. Not having single stream cost Winston-Salem millions of dollars in collection costs over the same period of time.

Remember our history.

- ReCommunity Greensboro's single stream MRF was one of the first built in the nation.
- The recycling industry has changed over the past 18 years since we built our single stream MRF to serve Greensboro.
 1. New markets for recycling materials have been created during that time.
 2. Single stream processing technology has improved dramatically.
- The evolution in our industry has made it possible to offer better contract terms over time. It would have been impossible to offer 2012 terms in 1992 or even in 2007, since current markets and technology did not exist.



Waste Management would be charging Greensboro for recycling under a recent bid.

- Waste Management has tried to suggest that ReCommunity has been unfair to the city of Greensboro in the past because we have charged tipping fees along with providing the city a revenue share. As we have pointed out, our terms to the city have been commensurate with the state of markets and technology.
- Even today, Waste Management charges some of its customers tipping fees with no revenue share. For example, Waste Management currently charges the city of Wilmington a tipping fee of \$25 per ton.
- In fact, if Greensboro had accepted Waste Management's March 2011 proposal, the city would be paying Waste Management for recycling under current market conditions. This bid, offered just over a year ago, included a \$72/ton tipping fee.

Waste Management had the opportunity to improve its terms in the Best and Final Offer, but instead Waste Management proposed terms that are worse for Greensboro.

- Waste Management could have offered to provide the city transfer services. But instead, Waste Management proposed to charge the city \$16/ton to haul recyclables from the Greensboro Transfer Station to Waste Management's Winston-Salem facility.
- The city's ability to receive revenue share sooner from Waste Management was reduced when they raised the threshold by \$30/ton in Waste Management's Best and Final Offer. Waste Management's original threshold was \$42.15/ton. In the Best and Final Offer, Waste Management changed that to \$72/ton, which means the City would not get any revenue share until the ACR exceeds \$72/ton. In reality, the Waste Management deal got worse for Greensboro.

Recycling Perks vs. Recycle Bank: ReCommunity saves the city another \$330,000.

- ReCommunity's Recycling Perks partnership costs the city nothing to set up. Waste Management's Recycle Bank costs \$3.30 per household to set up.
- Assuming 100,000 households, the city pays \$330,000 with Waste Management. Assuming 100,000 households, the city pays ZERO dollars with Recycling Perks.
- Waste Management is overcharging the city \$330,000 to merely activate the same program ReCommunity offers without activation cost.



ReCommunity's price proposals are a better deal for Greensboro.

- Simple arithmetic clearly proves that ReCommunity pays more money to Greensboro in every price option and in every scenario.
- **ReCommunity's Fixed Price:** pays the city \$30/ton and Waste Management only pays \$15/ton. (Waste Management's \$26 rebate minus \$11 freight cost = \$15/ton rebate.) Under Waste Management's bid, the city has real freight expenses of \$11/ton to deliver material to Winston-Salem.
- **ReCommunity's Variable Price:** pays the city more money every time.
 - ReCommunity Variable Price Formula:
 - **\$9 marketing credit + (ACR – \$75 trigger) x 75% revenue share**
 - Waste Management Variable Price Formula:
 - **\$1marketing credit + (ACR – \$72 trigger) x 80% Revenue share**
 - **ACR \$160: ReCommunity pays \$72.75/ton vs \$60.40/ton from WM**
 - ReCommunity = \$9 marketing credit + (\$160 ACR less \$75 trigger) x 75% revenue share = \$72.75 rebate
 - Waste Management = \$1 marketing credit + (\$160 ACR less \$72 trigger) x 80% revenue share = (\$71 rebate less \$11 freight cost) = \$60.40 rebate to city
 - **ACR \$120: ReCommunity pays \$42.75/ton vs \$28.40/ton from WM**
 - ReCommunity = \$9 marketing credit + (\$120 ACR less \$75 trigger) x 75% revenue share = \$42.75 rebate
 - Waste Management = \$1 marketing credit + (\$120 ACR less \$72 trigger) x 80% revenue share = (\$39 rebate less \$11 freight cost) = \$28.40 rebate to city
 - **ACR \$105: ReCommunity pays \$31.50/ton vs \$16.40 /ton from WM**



- ReCommunity= \$9 marketing credit + (\$105 ACR less \$75 trigger) x 75% revenue share = \$31.50 rebate
 - Waste Management = \$1 marketing credit + (\$105 ACR less \$72 trigger) x 80% revenue share = (\$27 rebate less \$11 freight cost) = \$16.40 rebate to city
- **ACR \$80: ReCommunity pays \$17/ton vs \$15/ton from WM**
- ReCommunity = \$9 marketing credit + (\$80 ACR less \$75 trigger) x 75% revenue share = \$12.75 rebate (\$8 floor price is activated to bring minimum payment to \$17/ton)
 - Waste Management= \$1 marketing credit + (\$80 ACR less \$72 trigger) x 80% revenue share = \$7 rebate (\$25 floor price is activated less \$11 freight cost = \$15/ton)

Thank You,

A handwritten signature in black ink that reads 'Jerry White'.

Jerry White
Southeast Regional Manager
ReCommunity