

Agenda

Greensboro City Council

COUNCIL WORK SESSION
TUESDAY
MARCH 27, 2012
3:00 P.M.
CITY COUNCIL CHAMBER

1. Update on Recycling Processing and Solid Waste Disposal Requests for Proposals (RFPs).

(Attachments will be provided in the IFYI and at the Work Session)

Prior to the date of the briefing, contact Channel 13 at 333-6922 if you have electronic presentations.

Any individual with a disability who needs an interpreter or other auxiliary aids or services for this meeting may contact the City Clerk's Office at 373-2397 or 333-6930 (TDD).

MEMBERS OF COUNCIL

ROBBIE PERKINS, Mayor
YVONNE J. JOHNSON, Mayor Pro Tem
NANCY VAUGHAN, At Large
MARIKAY ABUZUAITER, At Large

T. DIANNE BELLAMY-SMALL, District One
JIM KEE, District Two
ZACK MATHENY, District Three
NANCY HOFFMANN, District Four
TRUDY WADE, District Five

Field Operations Department
City of Greensboro



March 23, 2012

TO: Denise T. Roth, Interim City Manager

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

SUBJECT: Summary of Request for Proposals for Recycling Processing and MSW Hauling and Disposal Services

Per your request, I have prepared a summary of the information that will be presented to City Council at the March 27, 2012 Work Session related to the content and scheduling of requests for proposals for the City's Recycling Processing and Municipal Solid Waste Hauling & Disposal contracts. As you know, we have retained the services of HDR Engineering, Inc. of the Carolinas to develop both RFP's, analyze the proposals received, and ultimately present findings to Council for a decision to contract these services.

On the following pages, you will find summaries for both the Recycling Processing and MSW Hauling & Disposal RFP's. Each summary includes a proposed schedule, items for Council consideration, and a draft price form for proposers to complete. These items are subject to change depending on the direction of Council.

We have established aggressive schedules for completing both RFP processes. However, I believe that emphasis should be placed on the Solid Waste Hauling & Disposal RFP due to the June 30, 2012, deadline for the City's current contracted services. The attached summary for that RFP includes a schedule that reflects a contract initiation date of July 1, 2012.

The recycling processing RFP schedule is somewhat different. The expiration date for that contract is March 31, 2013. Based on the contract terms, we must provide ReCommunity with 120 days of written notice in order to terminate the contract early. Additionally, the contract requires that payments be made to ReCommunity for equipment investments minus depreciation costs. Early termination costs have yet to be determined. The attached summary of that RFP includes a schedule that represents a contract initiation date of August 1, 2012.

I believe these schedules and the items that follow will serve as the significant points for Council discussion at next week's work session. Please know that we are prepared to move forward in the direction provided, or modify that direction based on further input from the City Council or the City Manager's Office.

DDW

Attachments: MSW HAULING & DISPOSAL REQUESTS FOR PROPOSALS SUMMARY
RECYCLING PROCESSING REQUESTS FOR PROPOSALS SUMMARY

MSW HAULING & DISPOSAL REQUESTS FOR PROPOSALS SUMMARY
(Current Hauling Contract with Hilco Transport expires 6/19/2012, with options to extend)
(Current Solid Waste Disposal Contract with Republic Services expires 6/30/2012)

I. DRAFT SCHEDULE

- | | |
|--|---------------|
| ▪ Issuance of RFP | Wed 4/11/2012 |
| ▪ Contractors Deadline to Submit Questions | Wed 4/25/2012 |
| ▪ City Issuance of Written Response to Questions | Wed 5/02/2012 |
| ▪ Proposal Submission Deadline | Thu 5/10/2012 |
| ▪ Preliminary Report to Council | Tue 5/15/2012 |
| ▪ Council Meeting to Select Vendor | Tue 6/05/2012 |
| ▪ Contract Negotiations Completed | Fri 6/22/2012 |
| ▪ Contract Initiation | Sun 7/01/2012 |

II. TOPICS FOR COUNCIL CONSIDERATION

1. Proposed Term of Contract (5, 10, 15 years, or other)
2. Operate, Transport, and Dispose Task Combination
3. New Technology Clause, something to the effect of *“if a new, viable disposal technology becomes available during the term of this contract, the contractor will work with the city to implement that technology.”*

III. DRAFT RFP PRICE FORM

See attached Price Form 1 for Transportation and/or Disposal Services

PRICE FORM 1
SERVICE FEE

Following are six individual and bundled price forms for the proposed services. Contractor to complete all that apply.

Option 1: Operate Only – Proposed Prices for Operations of City's Transfer Station Only:

Contractor to complete the following based on a price per ton for transfer station operations only. Costs shall include consideration of lease terms as referenced in Section 6.2.2.

Option 1 – 2012 Prices for Operation of the City's Transfer Station Only			
Annual Tonnage Range	Base Price (2012 \$/ton)		
Contract term	5 year	10 year	15 year
From 60,000 to 100,000 tons:			
From 100,001 to 150,000 tons:			
From 150,001 to 200,000 tons:			
From 200,001 to 250,000 tons:			

Option 2: Transport Only – Proposed Prices for MSW Transportation Services Only:

The City desires a price proposal based on a **per mile (round trip mile)** fee for tons of waste actually made available to the contractor. The contractor must be able to haul a minimum of 1,200 tons per day of waste having an average transport bulk density of 350 to 425 pounds per cubic yard. Contractors must use trailers having a minimum usable container capacity of 90 cubic yards. The unit prices submitted will be in 2012 dollars. The unit prices will be adjusted annually, based on an accepted price index.

The contractor shall submit unit prices based on ranges of annual tonnage received and round-trip distances. The contractor's price ranges must cover an annual range of tonnages from 60,000 tons up to 250,000 tons and round trip distances of 50 to 200 miles. Contractors should use the form provided on the following page for the submittal of proposed prices and must indicate the usable trailer capacity that the proposed prices are based upon.

Option 2 – Proposed Price - Transportation of MSW ¹ 2012 \$/Mile (Round-Trip Mile)									
Annual Tonnage	50 - 100 miles			101 - 150 miles			151 - 200 miles		
Contract term	5 year	10 year	15 year	5 year	10 year	15 year	5 year	10 year	15 year
60,000 - 100,000									
100,001 - 150,000									
150,001 - 200,000									
200,001 - 250,000									

¹Requested prices are for truck miles (round-trip miles). Contractor must be able to provide transportation services for a minimum of 1,200 tons per day of waste having an average bulk density of 350 to 425 pounds per cubic yard.

Contractors proposed price is based on a usable trailer capacity of _____ cubic yards.

Option 3: Operate & Transport – Proposed Prices for Operations of the City’s Transfer Station and MSW Transportation Service Package

Contractor to complete the following based on a price per ton for Transfer Station operation and transportation of MSW.

Option 3A – 2012 Prices for Operation of the City’s Transfer Station			
Annual Tonnage Range	Base Price (2012 \$/ton)		
Contract term	5 year	10 year	15 year
From 60,000 to 100,000 tons:			
From 100,001 to 150,000 tons:			
From 150,001 to 200,000 tons:			
From 200,001 to 250,000 tons:			

Option 3B – Proposed Price - Transportation of MSW ¹ 2012 \$/Mile (Round-Trip Mile)									
Annual Tonnage	50 - 100 miles			101 - 150 miles			151 - 200 miles		
Contract term	5 year	10 year	15 year	5 year	10 year	15 year	5 year	10 year	15 year
60,000 - 100,000									
100,001 - 150,000									
150,001 - 200,000									
200,001 - 250,000									

¹Requested prices are for truck miles (round-trip miles). Contractor must be able to provide transportation services for a minimum of 1,200 tons per day of waste having an average bulk density of 350 to 425 pounds per cubic yard.

Option 4: Dispose Only – Proposed Prices for MSW Disposal Services Only:

Contractor to complete the following based on a price per ton for waste disposal only.

Option 4 – 2012 Prices for Disposal of Municipal Solid Waste			
Annual Tonnage Range	Base Price (2012 \$/ton)		
Contract term	5 year	10 year	15 year
From 60,000 to 100,000 tons:			
From 100,001 to 150,000 tons:			
From 150,001 to 200,000 tons:			
From 200,001 to 250,000 tons:			

Option 5: Transport and Dispose – Proposed Prices for MSW Transportation and Disposal Service Package:

Contractor to complete the following based on a price per ton for both waste transportation and disposal. Contractors proposing to provide both transportation and disposal services must complete and include all forms from Section 4.0 (except Form 4-3) and Section 5 of this RFP.

Option 5 – 2012 Prices for Disposal and Transportation of MSW			
Annual Tonnage Range	Base Price (2012 \$/ton)		
Contract term	5 year	10 year	15 year
From 60,000 to 100,000 tons:			
From 100,001 to 150,000 tons:			
From 150,001 to 200,000 tons:			
From 200,001 to 250,000 tons:			

Option 6: Operate, Transport & Dispose – Proposed Prices for Operation of the City’s Transfer Station, Including Transportation, and Disposal of MSW:

Contractor to complete the following based on a price per ton for complete services including operation of the City's transfer station, transportation of the waste to a Subtitle D landfill, and disposal of MSW in that landfill. Contractor must include information on forms from both Sections 4 and 5 of this RFP in its proposal.

Option 6 – 2012 Prices for Operation of the City's Transfer Station, Transportation, and Disposal of MSW			
Annual Tonnage Range	Base Price (2012 \$/ton)		
Contract term	5 year	10 year	15 year
From 60,000 to 100,000 tons:			
From 100,001 to 150,000 tons:			
From 150,001 to 200,000 tons:			
From 200,001 to 250,000 tons:			

RECYCLING PROCESSING REQUESTS FOR PROPOSALS SUMMARY
(Current Recycling Processing Contract with ReCommunity expires March 31, 2013)

I. DRAFT SCHEDULE

- | | |
|--|-----------------|
| ▪ Issuance of RFP | Wed 4/25/2012 |
| ▪ Contractors Deadline to Submit Questions | Wed 5/09/2012 |
| ▪ City Issuance of Written Response to Questions | Fri 5/18/2012 |
| ▪ Proposal Submission Deadline | Tue 5/29/2012 |
| ▪ Preliminary Report to Council | Tue 6/05/2012 |
| ▪ Council Meeting to Select Vendor | Tue 6/19/2012 |
| ▪ Contract Negotiations Completed | Fri 7/20/2012 |
| ▪ Contract Initiation | Wed 8/01/2012** |

**The contract initiation date represents the earliest possible transition to a new contract. If the selected vendor has to construct a facility to take the City's recyclables, this date could be as late as the ReCommunity contract expiration date of March 31, 2013. The RFP will require each proposer to identify their proposed timeline to begin processing the City's recyclables.

II. TOPICS FOR COUNCIL CONSIDERATION

1. Materials to be Accepted (current vs. proposed)
2. Educational/Promotional Efforts
3. Processing Fee/Credit explanation; City to receive revenue share
4. Revenue Sharing: Market-based or Fixed Flat Rate (advantages/disadvantages)
5. Proposed Term of Contract (5, 10 years, or longer?)
6. Date of Contract Initiation: Contract Expires 3/31/13; early termination clause in current amendment with value to be determined; may prefer to implement earlier maximize benefit of savings to the city.
7. New Technology Clause, something to the effect of "*if a new, viable recycling technology becomes available during the term of this contract, the contractor will work with the city to implement that technology.*"

III. DRAFT RFP PRICE FORM

See attached Price Form 1 for Recovered Recyclables Services

**PRICE FORM 1
SERVICE FEE**

Section 1: Processing Fee or Credit

The Contractor may choose to offer either a processing fee, a processing credit, or neither of the two. A processing fee is the amount per ton that the City will pay to the Contractor for every City-ton delivered to the materials recovery facility. A processing credit is the amount per ton that the Contractor will pay to the City for every City-ton delivered to the materials recovery facility.

Please specify the Processing Fee or Credit in the table below. If the Contractor does not wish to offer a Processing Fee or Credit, please leave the table blank:

Please specify if the Contractor will offer a Processing Fee or Processing Credit:

Write either "Processing Fee" or "Processing Credit" here

Monthly Tonnage Range	per Ton Delivered to the Materials Recovery Facility
1,200 up to 2,200 Tons	\$ _____ per Ton
2,201 up to 2,600 Tons	\$ _____ per Ton
2,601 up to 3,000 Tons	\$ _____ per Ton
3,001 up to 3,400 Tons	\$ _____ per Ton

Please specify the Contractor's preferred adjustment method for processing fee.

- Frequency _____
- Index _____
- Percentage of Preferred Index _____

Section 2: Other Charges to be Paid by the City

Please describe any other charges the City will pay the Contractor. These other charges would be in addition to any Processing Fee or Credit described in Section 1 above.

Other Charges description:

If additional space is required to describe other charges, please attach an additional page to this form.

Section 3: Other Payments to be Paid by the Contractor to the City

Please describe any other payments to the City by the Contractor. These other payments would be in addition to any payments described above and could include revenue sharing, host fee or other incentive(s) offered by the Contractor.

Other Payments description:

If additional space is required to describe other charges, please attach an additional page to this form.

Section 4: Sample Payment/Revenue Calculation

Using the pricing structure offered above, calculate below the value of a monthly invoice to the City. For purposes of this calculation below, assume that the City-delivered tonnage for the month is 2,400 tons.