



**SOLID WASTE ADVISORY COMMISSION
JUNE 9, 2010 6:30 P.M.
CITY HALL, COUNCIL CHAMBERS
301 WEST 2ND STREET
AUSTIN, TEXAS 78701**

CURRENT BOARD MEMBERS:

Gerry Acuna, Chair
Bob Schafer

Rick Cofer, Co-Chair
Maydelle Fason

Fayez Kazi

Brent Perdue

AGENDA

CALL TO ORDER

1. CITIZEN COMMUNICATION: GENERAL

The first four speakers signed up prior to the meeting being called to order will each be allowed a three-minute allotment to address their concerns regarding items not posted on the agenda.

2. APPROVAL OF MAY MEETING MINUTES

3. NEW BUSINESS

Discussion and Action – Material Recovery Facility RFP Resolution

4. STAFF BRIEFINGS

a. Discussion – Toilet Recycling (AWU Staff)

b. Discussion – Fiscal Year 2011 Budget Presentation

c. Discussion – Single Stream Recycling Contract Update

d. Discussion and Action – FM 812 Landfill Closure (Change Order)

Authorize execution of change order # 4 to the construction contract with RANGER EXCAVATING, L.P., Austin, TX, for FM 812 Landfill Final Closure and Erosion Control Improvements project in the amount of \$470,000, for a total contract amount not to exceed \$6,197,483.50.

e. Discussion – Director's Report

- Performance Measures
- Department Highlights/Awards

f. Allied Waste Presentation on the Material Recovery Facility (MRF)

g. Discussion – Staff Recommendation to Council Regarding the Single Stream Contract

5. FUTURE AGENDA ITEMS

ADJOURNMENT

The City of Austin is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 4 days before the meeting date. Please call Annette Moreno at Solid Waste Services Department, at (512) 974-1987, for additional information; TTY users route through Relay Texas at 711.

For more information on the Solid Waste Advisory Commission, please contact Annette Moreno at (512) 974-1987.



Solid Waste Services Department Fiscal Year 2011



June 2010

Solid Waste Services Department

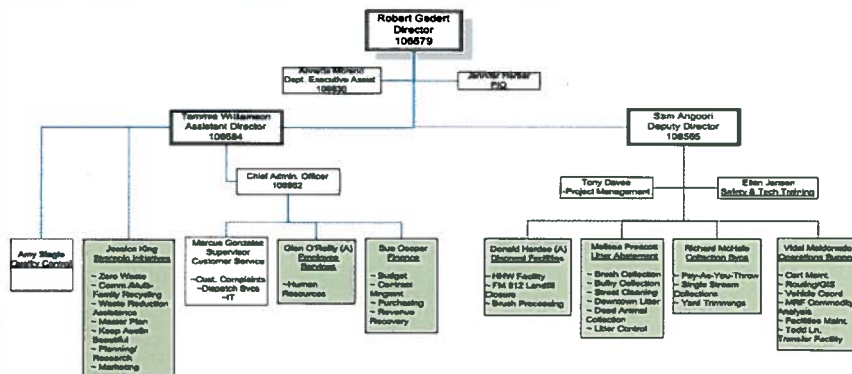
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Solid Waste Services *Keeping Austin clean and green.*

City of Austin, Texas
Solid Waste Services Department

Interim Organizational Structure



March 14, 2010

June 2010

Solid Waste Services Department

2

Budget Highlights

- ❑ Pay-As-You-Throw Rates
- ❑ Single-Stream Curbside Recycling Processing
- ❑ Service Fleet Fuel Efficiency
- ❑ Zero Waste Initiatives

June 2010

Solid Waste Services Department

3

Proposed Rate Increase

Residential	FY10 Approved Rate	FY11 Proposed Rate	% Inc/Dec	Monthly Increase
Base Charge	\$9.10	\$9.10	0	\$0
30 gal cart	\$4.75	\$4.75	0	\$0
60 gal cart	\$10.00	\$9.65	(3.5)	(\$0.35)
90 gal cart	\$17.20	\$18.20	5.8	\$1.00
Anti-Litter Fee	\$5.20	\$5.20	0	\$0

June 2010

Solid Waste Services Department

4

Recycling Revenue Assessment

	Transportation Costs	Processing Costs	Revenue	Total
FY10 CYE	(\$1,133,385)	(\$4,438,394)	\$4,934,406	(\$637,373)
FY11 Proposed	(\$1,197,279)	(\$4,744,545)	\$5,454,238	(\$487,586)

June 2010

Solid Waste Services Department

5

Revenues & Requirements

(Millions)

	FY 2010 Estimated	FY 2011 Proposed
Beginning Balance	\$9.5	\$15.6
Revenues	\$75.7	\$76.0
Transfers In	\$0.0	\$0.0
Available Funds	\$85.2	\$91.6
Total Program Requirements	(\$48.0)	(\$53.1)
Other Requirements	(\$21.6)	(\$24.8)
Total Requirements	(\$69.6)	(\$77.9)
Ending Balance	\$15.6	\$13.7
Required 1/12 th	\$4.5	\$5.7
Over/(Under) Compliance	\$11.1	\$8.0

June 2010

Solid Waste Services Department

6

Proposed FY11 Budget Summary

- ❑ Proposed Operating Budget: \$53.1 million
 - 396 total SWS FTEs
- ❑ Fee Structure Changes:
 - 90 gallon fee increase of \$1.00 (+5.8%)
 - 60 gallon fee decrease of \$0.35 (-3.5%)
- ❑ Proposed FY11 Ending Balance
 - Proposed: \$13.7 million
 - Must set aside one-twelfth of the operating expenses and other requirements needed to operate for 30 days
 - Compliance = \$5.7 million

June 2010

Solid Waste Services Department

7

Seeking SWAC Input

- ❑ Rate Structure
 - 90 Gallon Cart Fee
 - 60 Gallon Cart Fee
- ❑ Program Implementation
- ❑ Master Plan
- ❑ Zero Waste Initiatives

June 2010

Solid Waste Services Department

8



Question & Answer

Solid Waste Services Department



**Contract and Land Management
CITY OF AUSTIN**

**AGENDA
DATE: 6/24/2010**

RECOMMENDATION FOR COUNCIL ACTION

Title: 062410 PW SWS FM 812 Landfill Closure

Subject: Authorize execution of change order # 4 to the construction contract with RANGER EXCAVATING, L.P., Austin, TX, for FM 812 Landfill Final Closure and Erosion Control Improvements project in the amount of \$470,000, for a total contract amount not to exceed \$6,197,483.50.

Amount and Source of Funding: Funding in the amount of \$470,000 is available in the Fiscal Year 2009-2010 Capital Budget of the Solid Waste Services Department.

Agenda Category: Contract and Land Management

For More Information: Steve R. Nelson 974-7145; Tony Davee 974-1923; Susan Garnett, 974-7064; April Thedford 974-7141; Beatriz Guereca 974-7285

Prior Council Action: August 27, 2009 – Council approved original construction contract with Ranger Excavating, L.P.

Boards and Commission Action: To be reviewed by the Solid Waste Advisory Commission on June 9, 2010.

The purpose of this project is to achieve final closure of the City of Austin's FM 812 Municipal Solid Waste Landfill. The project includes placement of final cap and cover on four landfill waste cells and associated drainage improvements. The project also includes repair and improvements to an existing gabion erosion control system on Onion Creek along the northern boundary of the FM 812 Landfill. The gabions were initially installed in 1995 and were showing signs of failure.

Unforeseen conditions in the work area have necessitated redesign and substantial changes. It was initially anticipated that three of the four landfill cells would require only re-grading, and the existing in-situ cap would meet Texas Commission on Environmental Quality (TCEQ) requirements. Certification testing during closure has revealed that two landfill cells will require significant repairs. One landfill cell will require full reconstruction of the clay cap. TCEQ required changes to the landfill gas system will also be addressed as part of this additional work.

The erosion control portion of the project has also encountered unforeseen conditions, as competent bedrock occurs much deeper than anticipated in the central portion of the project, requiring redesign and installation of a modified, deeper gabion system.

Additional change orders may be required due to the nature and complexity of the work involved.

This project is located within zip code 78719.

AUTHORIZATION HISTORY

<u>AMOUNT</u>	<u>DATE -- DESCRIPTION</u>
\$5,404,270.00	8/27/09 (Council) -- Original construction contract
\$270,213.50	8/27/09 (Council) -- 5% Contingency
\$53,000.00	8/27/09 (Administrative Authority) -- Change orders #1 through #3 are within the limits of Administrative Authority and Contingency
\$470,000.00	Proposed (Council) -- Change Order # 4
<hr/>	
\$6,197,483.50	<i>Total Contract Authorization</i>

CONTRACT HISTORY

<u>AMOUNT</u>	<u>DATE -- DESCRIPTION (CO% / CUMULATIVE CO%)</u>
\$5,404,270.00	8/27/09 -- Original construction contract
\$-134,099.20	12/16/09 -- CO #1 -- Excavation and fill quantity changes in landfill cells due to updated land survey completed prior to construction (-2.48% /-2.48%)
\$66,542.00	2/2/10 -- CO #2 -- Additional excavation and fill to prevent waste contact with clay liner (1.23% /-1.25%)
\$195,026.30	4/27/10 -- CO #3 -- Additional excavation and fill to fix thin spots in clay liner (3.61% /2.36%)
\$665,000.00	Proposed -- CO #4 -- Repair or replacement of clay caps in two landfill cells, modification of the landfill gas system, and additional gabion structures (12.30% /14.66%)
<hr/>	
\$6,196,739.10	<i>Total Contract Expenditures</i>
14.66 %	<i>Cumulative Change Orders</i>

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

6/24/2010

WHERE ON AGENDA:

Ordinance

DEPARTMENT:

Solid Waste Services Department

Authorize execution of change order # 4 to the construction contract with RANGER EXCAVATING, L.P., Austin, TX, for FM 812 Landfill Final Closure and Erosion Control Improvements project in the amount of \$470,000, for a total contract amount not to exceed \$6,197,483.50.

FINANCIAL INFORMATION:

Project Name: SWS FM 812 CLOSE LANDFILL PROJ
Project Authorization: Approved CIP Budget
Funding Source:

Fund/Dept/Unit	4800-1507-0707
Total Current Appropriation	\$11,694,184.00
Unobligated Balance	\$3,203,780.58
Amount of this Action	<u>(\$470,000.00)</u>
Remaining Balance	<u><u>\$2,733,780.58</u></u>

Financial Approval: Sue Cooper

Date: 06/02/2010

M/WBE Summary

Participation goals stated in the original approved compliance plan were **7.51% MBE** and **7.25% WBE**.
Participation for this change order:

NON M/WBE TOTAL – PRIME	\$150,000.00	22.56%
Ranger Excavating, L.P. Austin, TX	\$150,000.00	22.56%
NON M/WBE TOTAL – SUBCONTRACTORS	\$515,000.00	77.44%
Austin Filter Systems, Inc. Austin, TX (gabions)	\$390,000.00	58.64%
SCS Field Services, Austin, TX (landfill gas system modifications)	\$125,000.00	18.80%

Overall participation for the entire project, including this change order:

PRIME:

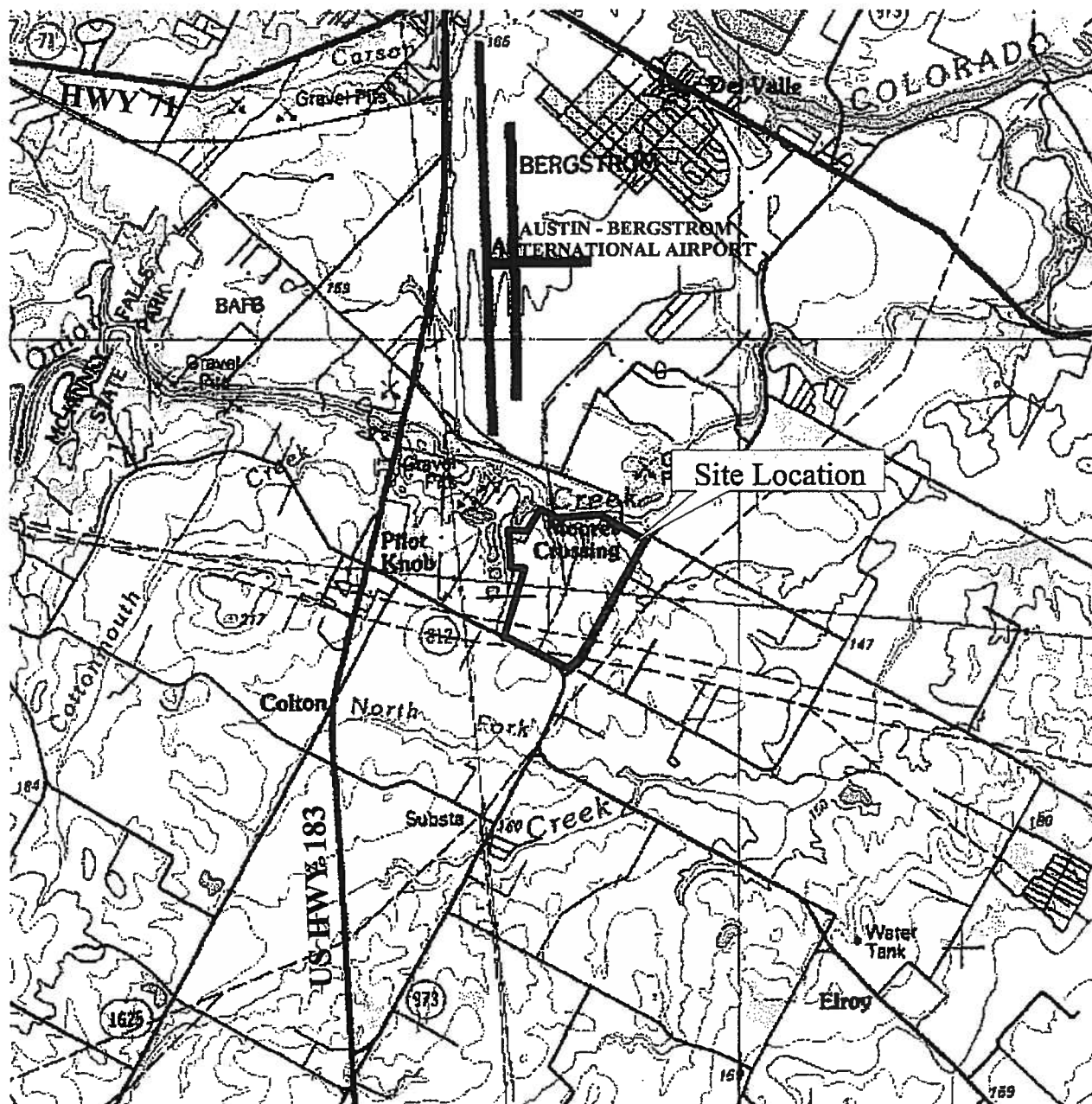
49.67 % Non M/WBE

SUBCONTRACTORS:

6.55% MBE; 6.32% WBE; and 37.46% Non M/WBE

TOTAL:

6.55 % MBE; 6.32% WBE; and 87.13% Non M/WBE



1000 0 1000 2000 3000 4000
Scale in Meters



Source: USGS 7.50 Minute Topographic Quadrangle Map
Montopolis, Texas 1988

WESTON
SOLUTIONS
Restoring Resource Efficiency

FIGURE I-1
Site Location Map
FM 812 Landfill
City of Austin
Austin, TX

WO# 06141.011.008

October 2003



To: Solid Waste Advisory Commission

From: Bob Gedert, Director, Solid Waste Services Department

Date: June 9, 2010

Subject: Director's Report

FY11 Budget Presentation

The proposed budget will be presented at the June SWAC Meeting for your review and comment.

ISWM Master Plan;

HDR consultants and their sub-consultants are in their research phase, gathering information integral to the Master Plan process. Additionally, CAPCOG and the City are partnering on a research project that will supplement the research being performed by HDR and contribute to the CAPCOG Regional Solid Waste Plan. Six temporary researchers have been hired, each with community and regional planning backgrounds, to identify and perform surveys of businesses that play an integral role to managing the waste stream of our community.

A public meeting is scheduled for August 31st to gather additional input from the public. Details will be announced at a later date.

Performance Measures

See attachments for detailed Performance Measures.

Employee Recognition:

The Austin Critics' Table Awards were given out Monday, June 8th. The group of arts critics from the American-Statesman, the Austin Chronicle and Might Be Good recognized Allison Orr's **The Trash Project**.

The Trash Project was awarded *Most Outstanding Dance Concert*. **Solid Waste Services employee Don Anderson** also won a special citation, entitled "*Graced in the Machine Award*" for his duet with the crane. The lighting designer, Stephen Pruitt, was awarded best lighting design and the sound designer, William Meadows, was awarded best sound design. Graham Reynolds, composer, won a special award for overall achievement- entitled the "John Bustin Award for Conspicuous Versatility."

We thank Allison Orr, Artistic Director of Forklift Danceworks, for the superb artistic work presented in The Trash Project, which highlights Solid Waste Services employees in a "truck ballet" video. The film will receive a full showing and recognition at the 2011 South-by-Southwest Festival.

To see the entire list of awards visit:

http://www.austin360.com/blogs/content/shared-gen/blogs/austin/seeingthings/entries/2010/06/07/austin_critics_table_20092010.html#jump

Litter Abatement Division
April 2010

Highlights:

- The Litter Abatement Team completed **47** special cleanups for the month of April: **44** KAB cleanups and **3** Code Compliance requests.
- Total revenue for Brush/Bulk Out-of-Cycle Requests is **\$ 1,340.00**

Performance Measures	Brush Collection	Bulk Collection			Street Cleaning	Litter Control Collection		Dead Animal Removal	
Results:									
Number of Complaints (SM Codes)	17	62			45				
Number of Justifiable Complaints	1	1			0				
Number of Invalid Complaints	16	61			45				
# Other Service Requests (<i>Out of cycle, etc.</i>)	18	8							
Number of Dead Animal Requests (DAR) processed							484		
Number of Service Requests							479		
Number of other DAR (email, drive by, etc.)							5		
% Dead Animals collected w/in 24 hr period							93.0%		
Based on actual collected & not found									
Output:									
		Bulk	Recycle	Tires		Tires	Litter		
Total Tons collected	602	751	0	21		0	30		
Total Tons of Bulk Recycled		21							
Total Tons diverted from Landfill (Brush\Recycled\YT)		623							
Tons of material removed from roadway					554				
Illegal Dumpsites cleaned							59		
Demand:									
Tons of dead animals removed from City's right-of-way and the animal shelter							10		
Number of dead animals removed from City's right-of-way and the animal shelter							891		
Revenue:									
Number of Out-of-Cycle Pick-ups	9	2							
Revenue from Out-of-Cycle Pick-ups	\$1,100.00	\$240.00							
Number of Feral Hog Pick-ups							0		
Revenue from Feral Hog Pick-ups							\$0.00		
Other:									
Participation Rate	14%	22%	0%	0%					
Number of Set-outs	3,715	5,419	4	504					
Special cleanups (CC,Dumpster,Citizen Requests)	0	0							47
Number of Rights-of Way cleaned									147
Number Tires collected				1447			0		
Routes Completed	4	4			70				
Residential Sweeper Miles					1,734			774	
Blvd sweeper miles								530	
Downtown sweeper miles								912	

Issues/Opportunities:

- Litter Abatement recognized 9 employee birthdays by mailing cards to each employee.
- Litter Abatement employees attended Litter Abatement's Employee Appreciation BBQ.
- Assistant Division Manager, Mike Lewis traveled to Greensboro, NC for the 2010 NFBPA Conference.
- Bulk Supervisor, Eladio Romero and Street Sweeping Crew Leader, Franklin Farr attended the 2010 TXSWANA Annual Conference in Corpus Christi.

Recycling Monthly Report for April 2010

Account Types (Residential, Commercial and City Facilities)

Number of Accounts Served	179,564
Total Recycle Monthly Expenditures	\$569,298.45

Total Tons Collected

2008-2009	4396	decrease of
2009-2010	4371	-0.57%
Average Pound Per Account	20.90	
Cost Per Ton	\$130.24	
Cost Per Account	\$3.17	
Average Cost Per Account	\$1.95	

Automated

Number of Accounts Served	114,964
Bi-Weekly Average Pounds per Account	22.31
Average Pound per Hour	1.04

Semi-Automated

Number of Accounts Served	69,851
Bi-Weekly Average Pounds per Account	18.96
Average Pound per Hour	0.47

Employee Issues

Total Number of Hours Worked	6137.25
Overtime Hours Worked	203.75
Downtime Hours	123
Cause - Personnel	60
Cause - Vehicle	63

Attendance

Absentee Percentage Rate	19%
Average Scheduled Off per day	3.2
Average Unscheduled Off per day	4
Average FMLA/LTD per day	2

Service Orders

All	417
Valid	86
Tagged for Improper Set Out	70
Justifiable Complaints per 1000	0.48

Yard Trimmings Monthly Report for April 2010

Account Types (Residential, Commercial and City Facilities)

Number of Accounts Serviced	178,783
Total Yard Trimmings Monthly Expenditures	\$302,413.93

Total Tons Collected

2008-2009	3282	increase of
2009-2010	4214	22.12%
Average Pound Per Account	10.89	
Cost Per Ton	\$71.76	
Cost Per Account	\$1.69	
Average Cost Per Account	\$0.99	

Employee Issues

Total Number of Hours Worked	5576.25
Overtime Hours Worked	710
Downtime Hours	66.5
Cause - Personnel	31
Cause - Vehicle	35.5

Attendance

Absentee Percentage Rate	16%
Average Scheduled Off per day	1
Average Unscheduled Off per day	2.6
Average FMLA/LTD per day	0.9

Service Orders

All	206
Valid	74
Tagged for Improper Set Out	19
Justifiable Complaints per 1000	0.41

Garbage Collection Operations

Apr-10

Report Data

Residential Households	177,796	
Commercial Customers	2,189	
Monthly Expenses	\$6,771,436	
FYTD Expenses	\$1,265,767	
Monthly Tonnage	11,543	
FYTD Tonnage	76,261	
Commercial Tonnage	279	
City Facility Tonnage	15	
Hours Worked - Month	24,668	

Residential

Households serviced	177,796	
Monthly expenses	\$6,636,007.67	
Cost per household -ytd monthly average	\$1.00	
Average pounds per household per week	29.22	
Cost per ton - ytd	\$16.68	
2010 tonnage	11,249	1.14%
2009 tonnage	11,122	

Commercial/City

Cost per customer - ytd monthly average	\$1.65	
Cost per ton - ytd	\$13.46	
Commercial total	279	
City Facility total	15	
2010 tonnage	294	9.26%
2009 tonnage	269	

Tonnage Collected

Residential Garbage	11,249	
Commercial Garbage	279	
City Facility	15	
Totals	11,543	

Operational Issues

Unstickered trash revenue	\$50,289	
Automated daily work hours per employee	9.42	
Semi automated work hours per employee	7.67	
Tons/hours/employee	0.47	
Total number of dead routes (personnel)	1	
Justifiable Complaints	3.3 per 1,000	

HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM
MONTHLY REPORT
April-10

HIGHLIGHTS

	Apr-10	Mar-10	Apr-09	Revenue Received	
Number of Households (Includes Saturday)	1066	1205	1015	Used Oil	\$476.50
Total Waste Collected (lbs)	72,673.16	91,240.94	101,579.34	Batteries	\$1,087.01
Haz. Waste Disposed (lbs)	59,613.00	69,064.00	79,370.00	Cell Phones	
Waste Recycled (lbs)	13,060.16	22,176.94	22,209.34	Invoiced HHW	\$164.00
Est. Disposal Cost	\$28,136.50	\$29,746.00	\$33,846.21	Scrap Metal	
Saturday Collection				Total Received	\$1,727.51
Number of Households	180	139	107		

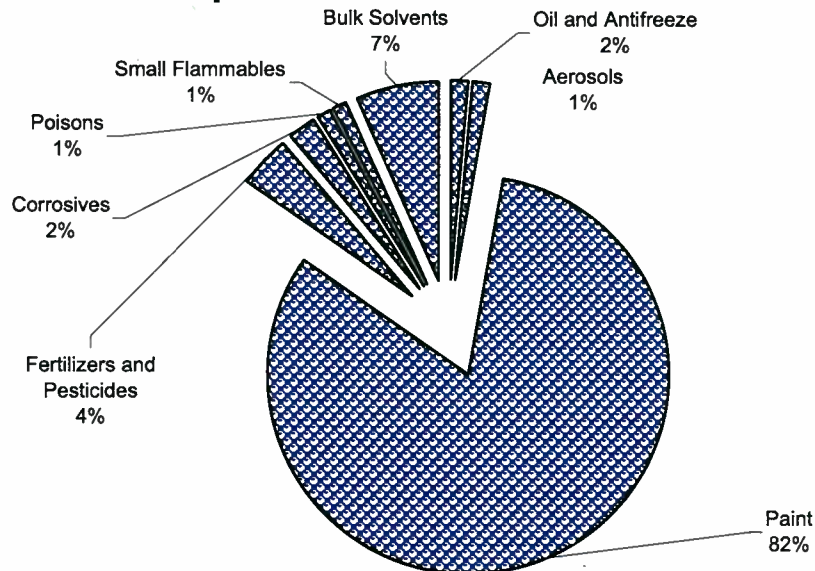
PROGRAM STATUS: (FISCAL YEAR TO DATE TOTALS)

	Fiscal Year 09-10 (Year to Date)	Fiscal Year 08-09 (Year to Date)	FY 09-10 vs. 08-09
Participation	6,738	6,463	4.08%
Total Waste Collected (lbs)	519,013.74	508,000.02	2.12%
Waste Recycled (lbs)	118,770.74	126,933.02	-6.87%
Avg. Waste/Household (lbs)	77.03	78.60	-2.04%
Disposal Costs/Pound	\$0.36	\$0.33	7.34%
Disposal Cost/Household	\$27.43	\$25.74	6.17%

REUSE ACTIVITY (includes dispersal of re-blended latex paint through Paint Program):

	April-10	March-10	TOTAL FY 09-10
Participation	86	64	342
Volume Diverted (lbs)	4,527.16	1,526.94	12,183.22
Cost Avoided	\$888.57	\$503.71	\$3,246.83

April 2010: Quantities Diverted



DISPOSAL SERVICES DIVISION
April 2010

LANDFILL OPERATIONS – Closure activities began on October 15, 2009.

FM 812 RESOURCE RECOVERY CENTER

Materials Accepted	
Total Tons	31
Appliances	4 ton
Metal	16 ton
* # of Tires Whole SWS	1467#
**Weight Tires Recycled	11 ton

Materials to Public	
Total Tons	34
Recycled Glass Sand	12
Mulch	22

Accounts Receivable	
Waste Works Total	\$275
Cash Customers	\$263

*No revenues received **To Liberty Tire for recycling

WASTE WORKS
 Money Order
 \$11.38 lost
 Inter-office mail

Scrap Materials Sold	
Total Tons	23
Scrap Metal-Heavy Melt #2	10
Aluminum	2
Copper	
Scrap Metal Heavy Melt #1	11
April Revenue Received	\$3,181
FY 09-10 Revenue to date	\$22,735

**DISPOSAL FACILITIES DIVISION MONTHLY REPORT
HORNSBY BEND BRUSH PROCESSING FACILITY
March-10**

▪ **Hornsby Bend Brush Processing Facility Brush Cubic Yards Received**

	Mar-10	Feb-10	Jan-10	Dec-09	Nov-09	Mar 09 Volume
Brush - \$6.50	4,470.16	1,231.20	1,913.56	2,166.07	1,618.08	2,225.35
Mulch (Travis County)						
Total Cubic Yards Rec'd	4,470.16	1,231.20	1,913.56	2,166.07	1,618.08	2,225.35

▪ **Hornsby Bend Brush Processing Facility Revenue by Dept.**

	Tons	Mar-10	Feb-10	Jan-10	Dec-09	Nov-09	Mar 09 Revenue
Public Works	10	\$ 65.00	\$ -	\$ 78.00	\$ 78.00	\$ 78.00	\$ 117.00
Aviation	239	\$ 1,553.50	\$ 650.00	\$ 1,670.50	\$ 2,138.50	\$ 442.00	\$ 1,267.50
Water/Wastewater	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Shed	140	\$ 910.00	\$ 1,683.50	\$ 305.50	\$ 877.50	\$ 2,554.50	\$ 559.00
Parks & Recreation *	0	\$ -	\$ -	\$ -	\$ -	\$ 19.50	\$ 266.50
Total Revenue		\$ 2,528.50	\$ 2,333.50	\$ 2,054.00	\$ 3,094.00	\$ 3,094.00	\$ 2,210.00
Total Tons	389						

* Effective 2/1/10 PARD charges are credited by Finance.

Approved: _____ Date: _____

Single Stream Material Recovery Facility (SSMRF)

**Presentation to
Solid Waste Advisory Committee
June 9, 2010**

*Bob Gedert
Director, Solid Waste Services
City of Austin*

SSMRF Recommendation

❑ **8 proposals received**

- **6 Public/Private**
- **1 Private only**
- **1 Public only**

❑ **Reviewed by 12-
member team**

❑ **Evaluation Criteria**

❑ **Top 3 proposals
presented to Council –
5/13**

❑ **Requesting award &
negotiation – 6/10**

Evaluation Criteria

- **Community Values**
- **Total Evaluated Cost**
- **Demonstrated Experience**
- **Implementation Schedule**
- **Operations, Equipment &
Facility**
- **Financial Capability &
Capacity**
- **Team Interviews &
Council**

SSMRF Recommendation

Allied Proposal – Community Values

- ❑ **Silver LEED Building**
- ❑ **Solar, Water Conservation, Street View**
- ❑ **Onsite Sustainability & Education Center**
- ❑ **Full-Time Sustainability Coordinator**
- ❑ **K-12 Education Curriculum Program**
- ❑ **Annual GHG Reduction Goals**
- ❑ **Litter Pickup Programs**
- ❑ **Adopt-A-Street Program**
- ❑ **North Austin Civic Assn. Partnership**

3

SSMRF Recommendation

Allied Proposal – Total Evaluated Cost

- ❑ **\$60/Ton Processing Fee**
- ❑ **80% Market Value Rebate**
- ❑ **No City Investment in Construction**
- ❑ **Allied responsible for all Equipment & Facility Operations for Term of Agreement**
- ❑ **City Ownership of Facility at end of Contract**
- ❑ **Monthly Value Assessment = \$154K for March 2010 Market Value**
- ❑ **Net Present Value Assessment = \$10.5M Net Revenue for Transition Year plus first 10 Years of Operations**

4

SSMRF Recommendation

Balcones Proposal – Community Values

- ❑ **Silver LEED Building**
- ❑ **Water Conservation, Street View**
- ❑ **Onsite Education Center**
- ❑ **MBE/WBE Commitment**
- ❑ **Annual GHG Reduction Goals**
- ❑ **Living Wage & Health Insurance**
- ❑ **Local Ownership**
- ❑ **11th Street Revitalization Efforts**

5

SSMRF Recommendation

Balcones Proposal – Total Evaluated Cost

- ❑ **\$118/Ton Processing Fee**
- ❑ **94% Market Value Rebate**
- ❑ **No City Investment in Construction**
- ❑ **Balcones responsible for all Equipment & Facility Operations for Term of Agreement**
- ❑ **Balcones Ownership of Facility at end of Contract**
- ❑ **Monthly Value Assessment = \$31K for March 2010 Market Value**
- ❑ **Net Present Value Assessment = -\$13.4M Net Revenue for Transition Year plus first 10 Years of Operations**

6

SSMRF Recommendation

Timetables – Short- and Long-Term

Long-Term

6/10/10 – Council approval to negotiate

7/29/10 – Request Council approval for execution

10/1/10 to 9/30/11 – Includes transition period for short-term agreement or continuation of Greenstar contract

10/2011 – Full operation of SSMRF

Short-Term

6/10/10 – Council direction on alternatives

6/24/10 – Council approval of RFP

6/25/10 – Release of RFP

7/09/10 – Bids due to City

7/29/10 – Council approval to negotiate

8/26/10 – Council approval to execute

8/31/10 – Notification to current vendor

7

SSMRF Recommendation

Council Questions?

Legal Issues – Cary Grace

Purchasing Process – Byron Johnson

SSMRF Review Team – David Smythe-McCaulay

Staff Recommendation – Howard Lazarus/Bob Gedert

8



TO: Mayor and Council Members

FROM: Robert Gedert, Director, Solid Waste Services Department

CC: Marc Ott, City Manager
Robert Goode, Assistant City Manager
Howard Lazarus, Acting Assistant City Manager

DATE: June 4, 2010

SUBJECT: Recommendation for SSMRF Construction and Operation

Purpose

This memorandum is provided in response to Council's request for information regarding the Single Stream Material Recovery Facility (SSMRF) recommendation and the selection process.

Action Requested

The recommendation from the SSMRF Review Team is to request approval from the City Council to negotiate with Allied Waste Services of Austin to finance, build, and operate an SSMRF. We anticipate it will take approximately sixty (60) days to complete negotiations and return to Council with a request to execute an agreement. Attachment A details the evaluation criteria and points that led to the staff recommendation. Attachment B provides a summary of the top three bidders. Attachment C provides a Net Present Value (NPV) comparison of the three offers under consideration.

Background

On November 16, 2009, the City of Austin Purchasing Office (on behalf of the Solid Waste Services Department (SWS)) advertised a Request for Proposal (RFP) seeking entities qualified and experienced in recyclable materials processing and marketing services to accomplish the following: receiving, sorting, processing, storing, marketing, selling, and transporting of recyclable material collected from the City's curbside and office recycling programs. The RFP also included a data sharing requirement to collect, analyze and disseminate information regarding the processing and marketing of recyclable material. The RFP specifically excluded collection services which are provided by SWS.

Respondents to the RFP were grouped into two service solution types: (1) Partnership (Public/Private) Service Solution and/or (2) Private Service Solution. Respondents were allowed to submit multiple, alternate responses to each Service Solution type. The City of Austin

encouraged respondents to introduce dynamic, creative recycling solutions that would contribute towards the City's Climate Protection Plan and Zero Waste Initiative.

A cross functional team of twelve (12) members was put together to evaluate areas of the RFP in order to determine points and ranking. The City of Austin considered all eligible and responsive proposals. Each proposal was requested to demonstrate how it provided the best value to the City, achieved the City's long-term goals, and demonstrated a progressive vision for the City of Austin and the community.

This request allows for the development of a service agreement with the recommended firm. Should the City be unsuccessful in negotiating a satisfactory agreement with the recommended firm, negotiations will cease with that firm. Staff will then return to Council and request authorization to begin negotiations with the next best proposal.

Evaluation Criteria and Key Responses from Top Three Selected Proposals

Community Values – 25 Points

This criterion evaluated Proposers' competency for socially responsible corporate governance and sustainability programs in the communities they service. Proposers were strongly encouraged to comply with or exceed these requirements. Two major components were evaluated: Social Responsibility and Sustainability Program.

Social Responsibility: Proposers were asked to demonstrate all management policies and procedures related to the proposed services including, living wages, equal employment opportunities, employee and public safety, creation of local markets for recyclable material, good neighbor policies, compliance with City Code Chapters 2-9A and 2-9B, as amended, the Minority-owned and Women-owned Business Enterprise (MBE/WBE) Procurement Program, and a commitment to improving the quality of life in the Austin metropolitan area.

Sustainability Program: Proposers were requested to demonstrate their Sustainability Plans regarding all environmental management policies and procedures related to the proposed services including the use of alternative fuel vehicles, use of recycled products, especially products with post-consumer recycled content, throughout its operations, internal waste reduction and reuse protocol, water and resource conservation activities within facilities (design, construction and operation), complying or exceeding local development codes, protection of waterways, future expansion capabilities for handling non-traditional materials such as organics and construction demolition debris, and use of non-toxic products when possible.

Top Three Selected Proposals:

Allied Waste Services of Austin = 21.50 points

Key Responses: Silver LEED Building with solar, water conservation, onsite sustainability/education center, full-time sustainability coordinator, K-12 education

curriculum program, GHG reduction goals, North Austin Civic Assn Partnership, Litter pickup programs, adopt a street program, parks improvement fund donations.

Waste Management Recycle America = 19.50 points

Key Responses: Silver/Gold LEED Building with solar, water conservation, MBE/WBE demonstrated commitment, GHG reduction goals, education center on-site.

Balcones Resources = 19.25 points

Key Responses: Silver LEED Building, water conservation, energy conservation, 11th Street revitalization efforts, MBE/WBE demonstrated commitment.

As a point of reference, the review team could not explore externalities that were not identified within the RFP request.

Total Evaluated Cost – 15 Points

The cost evaluation is intended to provide an equitable basis for cost comparison between proposals and an evaluation of the effect of those costs on customer rates. All cost information used in this evaluation was restricted to responses as stated in the proposal. The proposals were reviewed to verify that the proposed costs are consistent with the activities described in the proposal and the Offerors' Work Plans.

A Net Present Value (NPV) analysis was incorporated into the financial evaluation. NPV represents the value of the project in current (2010) dollars. A positive NPV indicates the offer will provide a net income to the City, whereas a negative NPV indicates a net cost to the City. Values of future year cash flows were discounted at 3% per year, reflecting the impact of inflation on revenues and costs.

Top Three Selected Proposals:

Allied Waste Services of Austin = 14.67 points

Key Responses: \$60/ton with 80% market share (based on March market values, City would have received \$154,000 for March recycling tonnage). Net Present Value = \$10,524,368 (transition year plus first ten years of operations).

Waste Management Recycle America = 7.33 points

Key Responses: \$65.52/ton (Option 1) or \$98.90 (Option 2) with 80% market share (based on March market values, City would have received \$154,000 for March recycling tonnage). Net Present Value = -\$18,952,811 (Option 1) or -\$24,903,573 (Option 2) (transition year plus first ten years of operations).

Balcones Resources = 7.33 points

Key Responses: \$118/ton with 94% market share (based on March market values, City would have paid out to Balcones \$31,300 for March recycling tonnage). Net Present Value = negative (-)\$13,400,907 (transition year plus first ten years of operations).

As a point of reference, the City received \$24,000 from Green Star in March 2010.

Demonstrated Applicable Experience and Personnel Qualifications – 15 Points

The experience of each Offeror was evaluated to determine the relative ability of each Proposer to implement the service requirements described in this RFP and to attain the City objectives for Single Stream Recycling. Experience evaluation factors and areas of experience were considered, including: qualifications, previous experience, demonstrated expertise, and reference history.

Top Three Selected Proposals:

Allied Waste Services of Austin = 14.50 points

Key Responses: Demonstrated high level of qualifications, experience and references.

Waste Management Recycle America = 13.25 points

Key Responses: Demonstrated high level of qualifications, experience and references.

Balcones Resources = 10.75 points

Key Responses: Demonstrated moderate level of qualifications, experience and references.

Implementation Schedule – 15 Points

The implementation schedule component is intended to ensure the Offerors' understanding of the critical milestones and how the services will be delivered. The proposals were reviewed to verify that the proposed schedule is consistent with the implementation activities described in the proposal and the Proposer's work plans. Review of the Offerors' detailed schedule data were used to confirm the transition plan and the ability to meet implementation schedule estimates as represented in the proposal.

Top Three Selected Proposals:

Allied Waste Services of Austin = 11.50 points

Key Responses: Realistic construction timetable, scheduled completion date of fall 2011, transition plan at \$25/ton fee with various negotiable elements including long haul or local processing.

Waste Management Recycle America = 12.25 points

Key Responses: Realistic construction timetable, scheduled completion date of spring 2012, transition plan with various negotiable elements including long haul or local processing.

Balcones Resources = 12.75 points

Key Responses: Realistic construction timetable, scheduled completion date of fall 2011, transition plan with various negotiable elements including long haul or local processing.

As a point of reference, all transition proposals are negotiable.

Operations, Equipment and Facility – 20 Points

The purpose of the operations, equipment and facility evaluation factor was to verify that the Offeror can meet the proposed performance specifications and criteria on a long-term basis.

Operations evaluation factors included: experience of the MRF operator, Review of the Offerors' past performance of similar services, staffing plans for the proposed facility, and previous labor relations history. Equipment evaluation factors included: design and technical support data, schematic system design and integration, demonstrated technical feasibility of equipment, processing data collection, analysis and reporting. Facility evaluation factors included: capacity of proposed facility, expansion ability, accessibility of proposed facility's location, adequate entrances, exits and unloading area (height and width) to ensure timely and efficient unloading of City deliveries, maintenance plan for facility and equipment, and hours of operation.

Top Three Selected Proposals:

Allied Waste Services of Austin = 11.00 points

Key Responses: No OSHA violations on record, past experience strong, operates 78 recycling facilities, demonstrated equipment design and operational knowledge, 240 tons/day capacity, 60 dedicated employees, 100,000 sq. ft. facility, to be located at City FM 812 Landfill site.

Waste Management Recycle America = 10.67 points

Key Responses: No OSHA violations on record, past experience strong, operates numerous facilities, demonstrated equipment design and operational knowledge, 210 tons/day capacity, 29 dedicated employees, 123,000 sq. ft. facility, to be located at City FM 812 Landfill site.

Balcones Resources = 11.00 points

Key Responses: No OSHA violations on record, past experience strong, operates numerous facilities, demonstrated equipment design and operational knowledge, 262 tons/day capacity, 35 dedicated employees, 122,000 sq. ft. facility, to be located at Balcones-owned site in North Austin.

As point of reference, the City will need expanded capacity beyond 250 tons/day by 2015.

Financial Capability and Capacity – 15 Points

In order to demonstrate access to equity capital and financing resources to carry out the proposed project, each proposal was required to provide detailed financial information about the company and its parent relationships. The City recognizes that under certain circumstances, this information could be construed as proprietary and sensitive. Therefore, the City will treat this portion of the submission as proprietary, to the extent that it is not already public and to the extent allowed by law.

Top Three Selected Proposals:

Allied Waste Services of Austin = 11.67 points

Key Responses: Demonstrated very strong financial reserves and capital capacity through parent company.

Waste Management Recycle America = 12.67 points

Key Responses: Demonstrated very strong financial reserves and capital capacity through parent company.

Balcones Resources = 6.00 points

Key Responses: Demonstrated limited financial reserves and capital capacity through parent company. Concern expressed about capacity to survive long-term market depression.

In-Person Team Interviews – 20 points

The Review Team selected the top five proposals for in-person interviews, based on total points of the scoring matrix noted above. The interviews were scheduled for 90 minutes each, and the same lists of questions were asked of each company. The responses were scored based on detail, knowledge and responsiveness. A follow-up list of clarification questions were sent to each respondent to ensure proper evaluation and clarify any issues not fully addressed.

Top Three Selected Proposals:

Allied Waste Services of Austin = 17.53 points

Key Responses: Addressed key points, demonstrated staff experience, noted green features, interacted well as team, and clarified answers well with clear pricing options.

Waste Management Recycle America = 15.16 points

Key Responses: Addressed key points, demonstrated staff experience, noted green features, interacted well as team, and clarified answers well with clear pricing options.

Balcones Resources = 14.07 points

Key Responses: Addressed key points, demonstrated staff experience, noted green features, interacted well as team, and clarified answers well with rigid pricing option.

Council Presentations – 8 Points

The Council was presented with the top two proposals from the Public/Private Partnership Category and the top proposal from the Private Service Category. These three companies were invited to present to City Council a PowerPoint restricted to twenty minutes that addressed key components such as community values, environmental stewardship, financials, and details of

the operations proposed. The Review Team scored the presentations based on detail, consistency to RFP submittal, and demonstrated knowledge of the proposed project.

Top Three Selected Proposals:

Allied Waste Services of Austin = 7.00 points

Key Responses: Presentation included all elements requested.

Waste Management Recycle America = 3.27 points

Key Responses: Presentation lacked some elements requested.

Balcones Resources = 7.25 points

Key Responses: Proposal included all elements requested.

As a point of reference, transition plans presented included long-haul options. The City intends to negotiate with the selected company to explore local options to reduce its carbon footprint.

Next Steps

After Council authorization is granted, a negotiation team will be selected to develop a final agreement. Key terms anticipated to be negotiated include: Transition Plan (including reduced carbon footprint), processing fees, market share revenues, MBE/WBE requirements, site conditions, land offer from City, conditions for termination, audit procedures, and other conditions. The staff anticipates returning to Council in August 2010 with a request to execute the negotiated agreement.

Attachments (3)

ATTACHMENT A

**PURCHASING
RDR0005 RECYCLING SERVICES
FINAL EVALUATION MATRIX**

Firm (or Joint Venture)	Points: Item 1 [25] Community Values	Item 2 [15] Total Evaluated Cost	Item 3 [15] Demonstrated Applicable Experience and Personnel Qualifications	Item 4 [15] Implementation Schedule	Item 5 [15] Operations, Equipment and Facilities	Item 6 [15] Financial Capability and Capacity	[100] SUB TOTAL	Item 7 [20] Interviews	[120] SUB TOTAL	Item 8 [8] Council Presentations	TOTAL POINTS [128]		
												Evaluators:	
												TEAM 2	TEAM 1
PARTNERSHIP (Public/Private) SERVICE SOLUTION													
Allied Waste Services of Austin	21.50	14.67	14.50	11.50	11.00	11.67	84.83	17.53	102.36	7.00	109.36		
WM Recycle America, LLC	19.50	7.33	13.25	12.25	10.67	12.67	75.67	15.16	90.83	3.27	94.10		
FCR LLC	17.50	3.83	13.50	14.75	11.33	8.67	69.58	15.36	84.94		84.94		
Hudson Baylor Corp.	10.50	12.00	12.50	8.75	11.67	10.00	65.42	13.16	78.58		78.58		
Greenstar Mid-America, LLC	10.50	7.33	12.00	8.75	8.67	8.33	55.58		55.58		55.58		
PRIVATE SERVICE SOLUTION													
Balcones Resources Inc.	19.25	7.33	10.75	12.75	11.00	6.00	67.08	14.07	81.15	7.25	88.40		
IESI Texas Corp.	12.50	6.33	10.25	6.75	7.67	10.00	53.50		53.50		53.50		

ATTACHMENT B

EVALUATION PANEL QUESTIONS - April/May 2010	ALLIED WASTE SERVICES	BALCONES RECYCLING	WASTE MANAGEMENT RECYCLE AMERICA	CITY STAFF NOTES
Fee and Revenue Offer. Restate your tipping fee charge in \$ per incoming scaled weight (\$/ton)	\$60.00 / ton of incoming city delivered tonnage	\$118 / ton of incoming city delivered tonnage	In Option One (1) - City supplies all capital the tipping fee charge would be \$65.52. In Option Two (2) - City supplies building capital and WM supplies and owns equipment capital the tipping fee charge would be \$98.90.	Negotiable - City desires low tipping fees
Restate your market share revenue %, in terms of % market value.	80% to the city, 20% to the company	94% to the city, 6% to the company	In Option One (1) - City supplies all capital the market share revenue % would be 80% to the City and 20% to WMRA. In Option Two (2) - City supplies building capital and WM supplies and owns equipment capital the market share revenue % would be the same as option one (1), 80% to the City and 20% to WMRA.	Negotiable - City desires high revenues share
Explain the source of market value for revenue share offer.	actual sales price or published price, whichever is greater	actual sales price	The source of market value for revenue share offer will be based off the actual value per ton FOB the plant in the previous month. Because of WMRA's industry leading recyclables processor and marketer, we consistently receive above market pricing on most commodities. With an actual price per ton share, the City will realize the cost benefit of WMRA's industry leader position.	Negotiable - City desires the least amount of "self-reporting" and the most verifiable sources of info - perhaps set to published market indices.
Explain the method of calculation for revenue share offer.	Actual sales price or published market index, whichever is greater	Sales price x 94% for the city	Prior Month Actual Average Value by individual material times % of each material. A base material stream analysis will be completed initially to determine the City's inbound Single Stream composition. Percentages will be assigned to each commodity. At the end of each month the sales price for each commodity will be assigned that percentage to calculate the blended value of the City's material. The City will receive 80% of that blended value. Periodic material stream analyses (at least 2x per year) will be completed to account for changes in the material stream. The City and WMRA will and/or participate in all material stream analyses.	
City Revenues or (losses) for March 2010 tonnage and market pricing. (City Staff Estimation)	\$154,000		(Option one: -\$103,000, Option two: (\$132,000)	CoA Revenues from Greenstar in March 2010 (Net Revenues minus expenses) = +\$24,000
10 year Net Present Value (includes City direct cost in calculation)	\$2,643,544		(Option one: (\$3,824,525.00) Option two: (\$5,248,319.00)	CoA desires a positive Net Present Value over ten years
Transition Plan Restate your transitional plan for the interim period before full operational date.	AWS proposes to use the Todd Lane Transfer Station as the receiving facility for the transition period. AWS will supply the necessary trucks, drivers, supervision, fuel to transport the City's recyclables to a processing facility during the transition period.	Balcones proposes to redeploy the City's Todd Lane Recycling Processing Plant to process curbside collected recyclables during the period between the expiration of the City's contract with Greenstar and the opening of the new Balcones/City of Austin Material Recovery Facility.	WMRA respectfully has offered immediate defined processing capacity for transfer and processing of Single Stream as of the RFP submission, up to and through the transition period required for worst case construction, and start up of the new facility proposed. WMRA understood before that Todd Lane was an option the City wanted vendors to consider and our proposal reflects its use for staging and loading Single Stream material in trailers provided by WMRA.	CoA requires continuation of single stream processing from Oct 1st 2010 through occupancy of new facility. CoA offers continues use of Todd Lane Facility - with no improvements at City expense.

EVALUATION PANEL QUESTIONS - April/May 2010	ALLIED WASTE SERVICES	BALCONES RECYCLING	WASTE MANAGEMENT RECYCLE AMERICA	CITY STAFF NOTES
		Balcones has completed the conceptual design for the addition of new portable recycling processing equipment and the modification of the system to more readily accommodate the processing of residential single-stream recyclables.	WM has two Single Stream facilities which will be able to accept Austin program material, with the primary facility being Arlington, Texas. Both have reserved primary capacity for Austin City material. Houston will be starting up in Jan 2010 and material could go there as a back up. Presently, no other Single Stream options are available in Austin and, due to the bonding capacity required for this project in the RFP, WMRA could not propose any other alternative, which we could not guarantee would be operable by the required Sept date. Finally, GHG savings between the existing City contractor and Arlington are negligible. If a closer option is the City's preference, WMRA is flexible in that regard.	
	CITY COST, REVENUE SHARE, TRANSPORTATION	CITY COST, REVENUE SHARE, TRANSPORTATION	CITY COST, REVENUE SHARE, TRANSPORTATION	
Provide operational costs to city for transition period.	Fixed \$25/ton Fee for transportation, separation, delivery, and marketing for up to 100% of City's total recycling volume during the transition period.	Add \$850,000.00 in new, portable machinery to process the recyclables	\$68.61 Ton Tip Fee 90% Fiber/ 75% Commingled Containers. 1 The City will pay a fixed rate of \$22.25 T for transport. 2	
	As an alternative, AWS would agree to either an actual cost pass through or negotiate an alternative fixed fee with rebate of actual sales price of marketed recycled goods.	\$250,000.00 in machinery installation, modification, and start-up costs	Under Current April market conditions, the City today would receive an estimated rebate over \$18 per ton for its material after costs, based on historical composition.	CoA Revenues from Greentstar in March 2010 (Net Revenues minus expenses) = +\$24,000 (approx \$6.00 per ton net revenues over expenses)
	AWS would make its accounting records for these activities available to the City for verification.	\$100,000.00 in Motor Control coordination and electrical commissioning \$500,000 for additional baler.	NOTES: 1.) In order for the City to make valid comparisons, WMRA used the current City contract as a model for this proposal since there was not a defined pricing page. WMRA is open to other options the City may want to pursue. 2.) If the City requires WMRA to load the trailers, add \$2.50 per to the cost.	
		Balcones will make the approximate \$1.7M capital investment. The City will receive 94% of the actual sales prices of the commodities and reimburse Balcones for all operating expenses plus 10%. Balcones will share all financial and operational data with the City throughout the process. Upon completion of the transition period and the opening of the new Balcones/ City of Austin MRF, Balcones will remove the equipment added to the Todd Lane system and return plant to original condition, as required.		
Operational Standards input daily tonnage limit (tpd)	240.0 tons per shift	262.5 tons per shift	210.0 tons per shift	Current CoA recycling flow requires 200 tons per day processing facility, 250 tons/day will be require in 2012, and 300 ton/day required in 2015.
Daily Staff number - Operations Floor (including sort line)	55 processing employees	27 processing employees	24 processing employees	
Overall Staff count (admin/operations/etc)	60 total dedicated employees	35 total dedicated employees	29 total dedicated employees	50 - 100 staff is typical for this type operation

EVALUATION PANEL QUESTIONS - April/May 2010	ALLIED WASTE SERVICES	BALCONES RECYCLING	WASTE MANAGEMENT RECYCLE AMERICA	CITY STAFF NOTES
Anticipated residuals caused by contaminants from residents (% of incoming tonnage)	7%	8%	7% 7 - 12 % is typical from single stream	
Anticipated residuals other than residential contaminants (% of incoming tonnage)	less than 5%	4%	2.50%	5 - 8 % is typical with current processing technology
Daily operating hours for the facility (including baling, clean-up & light PM)	16 hours/day	10 hours/day	12 hours/day	
Number of shifts anticipated to process current volume	2	1	1	
Facility Specs				
Overall under-roof area (sq ft)	100,000 sq ft	122,595 sq ft	123,204 sq ft	100,000 m ² required - 150,000 desirable
Total footprint area (building/parking/land) (sqft)	39.6 acres	461,388 sq ft	1,725,684 sq ft	
Operational under-roof area - including material storage and staging areas (sq ft)	97,500 sq ft	99,415 sq ft	112,700 sq ft	
Overall Building/Developments Costs (\$ up to occupancy - no maint./operations)	\$13,106,900	\$14,174,941	\$17,992,288	
Overall Equipment Costs (\$ up to occupancy - no maint./operations) LEED Silver	\$6,765,000	\$10,219,319	\$13,389,000	
Financing Options				
Do you propose public financing option?	No	Travis County Industrial Development Bonds	WMRA proposes both public and public/private financing options. Option One (1) on page 215 of our proposal, proposes that the City supplies all building and equipment capital. Option Two (2) of our proposal, also on page 215, proposes a public/private partnership option where the City supplies the building capital and WMRA supplies the equipment capital. The breakdown of those costs are reflected in the previous questions.	
If yes, please explain city role.	Corporate Resources	No city guarantees or expense	In Option One (1) the City would own both the building and equipment and WMRA would simply be the operator and materials marketer. In Option Two (2) the City would own the building and WMRA would own the equipment.	
Do you propose to utilize public land option?	Yes, AWS proposes to build the Austin MRF on the City's FM 812 Landfill closed site at 10108 FM 812, Austin, TX 78719.	No	Yes, WMRA proposes to build the Austin MRF on the City's FM 812 Landfill closed site at 10108 FM 812, Austin, TX 78719.	CoA FM 812 Landfill site was offered in RFP as a possible site location.

EVALUATION PANEL QUESTIONS - April/May 2010	ALLIED WASTE SERVICES	BALCONES RECYCLING	WASTE MANAGEMENT RECYCLE AMERICA	CITY STAFF NOTES
<p>Recycling Market Questions</p> <p>Please itemize all paper grades you propose to accept in year 1 of MRF operations.</p>	<p>AWS will accept newspaper and advertising supplements; Mixed Paper: magazines, junk mail, paperboard, telephone directories, office paper, corrugated boxes and containers, and aseptic containers.</p>	<p>We can recycle all paper grades defined by the Institute of Scrap Recycling Industries, an international trade association. Please see attached exhibit (1) for descriptions of the grades.</p>	<p>WMRA proposes to accept the following paper grades in year 1 of MRF operations. ALL FIBERS INCLUDING: Old newspaper (ONP); which includes newspaper and advertising supplements; Mixed Paper: magazines, junk mail, paperboard, telephone directories, anything that tears; Sorted Office Paper (SOP): high grade paper from offices such as computer paper, sorted white ledger, copier paper and office stationary; Old Corrugated Containers (OCC); Kraft cardboard boxes and Aseptic Containers.</p>	
<p>Please note paper grades accepted, but <u>not</u> able to recycle in today's markets.</p>	<p>AWS has markets for all the materials accepted in the proposal</p>	<p>None</p>	<p>WM has markets for all the materials accepted in the proposal (page 90). Markets change over time. WM would notify the City on a regular basis (formalized and stipulated in a final operating agreement) plastic items that do become recyclable and items that no longer have positive value or have negative value and reduce Austin's proposed revenue share.</p>	
<p>Please itemize all plastic grades you propose to accept in year 1 of MRF operations.</p>	<p>All rigid plastic containers #1-7 up to two gallons in size.</p>	<p>containers of HDPE, ClDPE, PETE, PVC#3, LDPE#4, PP#5, PS#6 & Plastic-other</p>	<p>WMRA proposes to accept the following plastic grades in year 1 of MRF operations. All Plastic Containers #1-7, including PET, HDPE, PVC, LDPE, PP and PS; Plastic Bags in bags and Household Rigid Plastics.</p>	
<p>Please note plastic grades accepted, but <u>not</u> able to recycle in today's markets.</p>	<p>We will not accept containers that contained hazardous materials such as pesticides or reactive chemicals.</p>	<p>None</p>	<p>WM has markets for all the materials accepted in the proposal (page 90). Markets change over time. WM would notify the City on a regular basis (formalized and stipulated in a final operating agreement) plastic items that do become recyclable and items that no longer have positive value or have negative value and reduce Austin's proposed revenue share.</p>	
<p>Please itemize all metal grades you propose to accept in year 1 of MRF operations.</p>	<p>All aluminum, steel, bi-metal, and tin metal containers up to two gallons in size and clean foil pans and sheets.</p>	<p>UBC, Tin, Steel, Bi-metal</p>	<p>WMRA proposes to accept the following metal grades in year 1 of MRF operations. Ferrous Metals (Tin, Steel and Bi-Metal Containers); food and beverage, non-food and aerosol cans made of mixed metal such as tin and steel; Used Beverage Cans (UBC): household beverage cans made of aluminum; Small Household Appliances: list of acceptable small appliances is to be determined and mutually agreed upon by both the City and WMRA. WMRA is flexible to other grades of metals which will not harm the equipment and/or are not hazardous in nature.</p>	
<p>Please note metal grades accepted, but <u>not</u> able to recycle in today's markets.</p>	<p>We will not accept containers that contained hazardous materials such as pesticides or reactive chemicals.</p>	<p>None</p>	<p>WM has markets for all the materials accepted in the proposal (page 90). Markets change over time. WM would notify the City on a regular basis (formalized and stipulated in a final operating agreement) plastic items that do become recyclable and items that no longer have positive value or have negative value and reduce Austin's proposed revenue share.</p>	

ATTACHMENT C

Finalists for Austin Material Recovery Facility Cost Summary

June 3, 2010

Allied Waste		Processing Fee (per ton) (2)	Processing Cost	City D/S Cost (3)	Total Cost	Weighted Avg Price (per ton) (2)	Total Revenue	% Share to City	Share to City	Net Revenue to City
Fiscal Year Ending	Material (tons) (1)									
2011	55,000	\$25.00	\$1,375,000	\$0	\$1,375,000	\$100.00	\$5,500,000	0.00%	\$0	\$ (1,375,000)
2012	56,650	60.00	3,399,000	0	3,399,000	102.00	5,778,300	80.00%	4,622,640	1,223,640
2013	58,350	61.20	3,570,989	0	3,570,989	104.04	6,070,682	80.00%	4,856,546	1,285,556
2014	60,100	62.42	3,751,681	0	3,751,681	106.12	6,377,858	80.00%	5,102,287	1,350,605
2015	61,903	63.87	3,941,517	0	3,941,517	108.24	6,700,578	80.00%	5,360,463	1,418,946
2016	63,760	64.95	4,140,957	0	4,140,957	110.41	7,039,627	80.00%	5,631,702	1,490,745
2017	65,673	66.24	4,350,490	0	4,350,490	112.62	7,395,833	80.00%	5,916,666	1,566,176
2018	67,643	67.57	4,570,625	0	4,570,625	114.87	7,770,062	80.00%	6,216,049	1,645,425
2019	69,672	68.92	4,801,898	0	4,801,898	117.17	8,163,227	80.00%	6,530,581	1,728,683
2020	71,763	70.30	5,044,874	0	5,044,874	119.51	8,576,286	80.00%	6,861,029	1,816,155
2021	73,915	71.71	5,300,145	0	5,300,145	121.90	9,010,246	80.00%	7,208,197	1,908,052
Average = \$ 1,405,898										NPV = \$ 10,524,368

Waste Management (a)		Processing Fee (per ton) (2)	Processing Cost	City D/S Cost (3)	Total Cost	Weighted Avg Price (per ton) (2)	Total Revenue	% Share to City	Share to City	Net Revenue to City
Fiscal Year Ending	Material (tons) (1)									
2011	55,000	\$90.86	\$4,997,300	0	\$4,997,300	\$18.00	\$990,000	80.00%	\$792,000	\$ (4,205,300)
2012	56,650	65.52	3,711,708	\$3,042,504	6,754,212	102.00	5,778,300	80.00%	4,622,640	(2,131,572)
2013	58,350	66.83	3,899,520	3,042,504	6,942,025	104.04	6,070,682	80.00%	4,856,546	(2,085,479)
2014	60,100	68.17	4,096,836	3,042,504	7,139,340	106.12	6,377,858	80.00%	5,102,287	(2,037,054)
2015	61,903	69.53	4,304,136	3,042,504	7,346,640	108.24	6,700,578	80.00%	5,360,463	(1,986,178)
2016	63,760	70.92	4,521,925	3,042,504	7,564,430	110.41	7,039,627	80.00%	5,631,702	(1,932,728)
2017	65,673	72.34	4,750,735	3,042,504	7,793,239	112.62	7,395,833	80.00%	5,916,666	(1,876,573)
2018	67,643	73.79	4,991,122	3,042,504	8,033,626	114.87	7,770,062	80.00%	6,216,049	(1,817,577)
2019	69,672	75.26	5,243,673	3,042,504	8,286,177	117.17	8,163,227	80.00%	6,530,581	(1,755,595)
2020	71,763	76.77	5,509,003	3,042,504	8,551,507	119.51	8,576,286	80.00%	6,861,029	(1,690,478)
2021	73,915	78.30	5,787,758	3,042,504	8,830,262	121.90	9,010,246	80.00%	7,208,197	(1,622,065)
Average = \$ (2,314,060)										NPV = \$ (18,952,811)

Waste Management (b)		Processing Fee (per ton) (2)	Processing Cost	City D/S Cost (3)	Total Cost	Weighted Avg Price (per ton) (2)	Total Revenue	% Share to City	Share to City	Net Revenue to City
Fiscal Year Ending	Material (tons) (1)									
2011	55,000	\$90.86	\$4,997,300	0	\$4,997,300	\$18.00	\$990,000	80.00%	\$792,000	\$ (4,205,300)
2012	56,650	98.90	5,602,685	1,458,129	7,060,814	102.00	5,778,300	80.00%	\$4,622,640	(2,438,174)
2013	58,350	100.88	5,886,181	1,458,129	7,344,310	104.04	6,070,682	80.00%	4,856,546	(2,487,764)
2014	60,100	102.90	6,184,022	1,458,129	7,642,151	106.12	6,377,858	80.00%	5,102,287	(2,539,864)
2015	61,903	104.95	6,496,933	1,458,129	7,955,062	108.24	6,700,578	80.00%	5,360,463	(2,594,600)
2016	63,760	107.05	6,825,678	1,458,129	8,283,807	110.41	7,039,627	80.00%	5,631,702	(2,652,105)
2017	65,673	109.19	7,171,057	1,458,129	8,629,186	112.62	7,395,833	80.00%	5,916,666	(2,712,520)
2018	67,643	111.38	7,533,913	1,458,129	8,992,042	114.87	7,770,062	80.00%	6,216,049	(2,775,993)
2019	69,672	113.61	7,915,129	1,458,129	9,373,258	117.17	8,163,227	80.00%	6,530,581	(2,842,676)
2020	71,763	115.88	8,315,634	1,458,129	9,773,763	119.51	8,576,286	80.00%	6,861,029	(2,912,735)
2021	73,915	118.19	8,736,405	1,458,129	10,194,534	121.90	9,010,246	80.00%	7,208,197	(2,986,338)
Average = \$ (3,114,807)										NPV = \$ (24,903,573)

- (1) Assumes 3% annual increase
 (2) FYE 2011 includes Transition Plan costs only. All other years assume 2% annual increase.
 (3) Assumes 5% annual interest cost for buildings and 3% annual interest cost for equipment.

Finalists for Austin Material Recovery Facility Cost Summary

June 3, 2010

Balcones										
Fiscal Year Ending	Material (tons) (1)	Processing Fee (per ton) (2)	Processing Cost	City D/S Cost (3)	Total Cost	Weighted Avg Price (per ton) (2)	Total Revenue	% Share to City	Share to City	Net Revenue to City
2011	55,000	\$118.00	\$6,490,000	0	\$6,490,000	100.00	\$5,500,000	94.00%	\$ 5,170,000	\$ (1,320,000)
2012	56,650	118.00	6,684,700	0	6,684,700	102.00	5,778,300	94.00%	\$5,431,602	(1,253,098)
2013	58,350	120.36	7,022,946	0	7,022,946	104.04	6,070,682	94.00%	5,706,441	(1,316,505)
2014	60,100	122.77	7,378,307	0	7,378,307	106.12	6,377,858	94.00%	5,995,187	(1,383,120)
2015	61,903	125.22	7,751,649	0	7,751,649	108.24	6,700,578	94.00%	6,298,543	(1,453,106)
2016	63,760	127.73	8,143,883	0	8,143,883	110.41	7,039,627	94.00%	6,617,250	(1,526,633)
2017	65,673	130.28	8,555,963	0	8,555,963	112.62	7,395,833	94.00%	6,952,083	(1,603,881)
2018	67,643	132.89	8,988,895	0	8,988,895	114.87	7,770,062	94.00%	7,303,858	(1,685,037)
2019	69,672	135.54	9,443,733	0	9,443,733	117.17	8,163,227	94.00%	7,673,433	(1,770,300)
2020	71,763	138.26	9,921,586	0	9,921,586	119.51	8,576,286	94.00%	8,061,709	(1,859,877)
2021	73,915	141.02	10,423,618	0	10,423,618	121.90	9,010,246	94.00%	8,469,631	(1,953,987)
Average =										\$ (1,712,554)
NPV=										\$ (13,400,907)

- (1) Assumes 3% annual increase
(2) FYE 2011 includes Transition Plan costs only. All other years assume 2% annual increase.
(3) Assumes 5% annual interest cost for buildings and 3% annual interest cost for equipment.