



Legislation Details (With Text)

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Title: Resolution Authorizing Execution of Contract 2016-10480 With Waste Management of Carolinas, Inc. for Municipal Solid Waste Disposal Services
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Attachments: 1. Attachment 1 Hauling & Disposal Combined Cost Analysis Final.pdf, 2. SOS-WASTE MANAGEMENT.pdf, 3. 16-0692 RESOLUTION-MSW DISPOSAL 2016.pdf

Date	Ver.	Action By	Action	Result
9/6/2016	1	City Council	adopt	Pass

Resolution Authorizing Execution of Contract 2016-10480 With Waste Management of Carolinas, Inc. for Municipal Solid Waste Disposal Services

Department: Field Operations
Council District: All

Public Hearing: N/A
Advertising Date/By: N/A

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PURPOSE:

The purpose of this agenda item is to have the City Council select a vendor to provide services for the disposal of municipal solid waste hauled from the Greensboro transfer station, and subsequently authorize the City Manager to enter into contract negotiations with the selected vendor consistent with the contract principals found in the RFP #8214 document. This contract shall be for a three-year initial term with the option of 2 additional one-year extensions. The current contract is with Republic Services of North Carolina, and will expire October 12, 2016.

BACKGROUND:

Since 2006, the City of Greensboro has contracted to provide municipal solid waste disposal services from the City's Burnt Poplar Road transfer station to the Uwharrie Environmental Landfill in Montgomery County, NC. In FY 2015-16, the cost of disposal of 222,000+/- tons of municipal solid waste from the City's transfer station to Uwharrie was about \$5,104,000.

The Field Operations Department issued RFP (Request for Proposals) #8214 on June 6, 2016 for Municipal Solid Waste Disposal Services to multiple landfills in North Carolina. We received three responses for this RFP

on July 12, 2016. The companies that responded were as follows:

- Republic Services of North Carolina, LLC, based in Conover, NC (landfill in Montgomery County, NC)
- Waste Connections of North Carolina, Inc., based in Charlotte, NC (landfill in Anson County, NC)
- Waste Management of Carolinas, Inc., based in Winston-Salem, NC (landfill in Randolph County, NC)

These proposals were then evaluated by both HDR Engineering, Inc. of the Carolinas and city staff. HDR provided an evaluation (Attachment 1) of the proposals that show the disposal price per ton in Table 4, and the hauling and disposal combined price per ton in Table 5. The combined low cost option for disposal and hauling is the combination of Waste Management of Carolinas, Inc. at the Randolph County landfill (\$17.88 per ton) and CEI as the hauler (\$7.349 per ton) for a total combined price of \$25.229 per ton. The City must also pay a \$2.00 per ton tax to the State of North Carolina for every ton of MSW disposed, so our total cost of hauling and disposal per ton becomes \$27.229 per ton. As information, the current combined disposal and hauling cost for the City is \$34.06 per ton, a difference of \$6.83 per ton. Assuming that we dispose of 200,001 tons per year, the low cost option represents an annual saving to the City of about \$1,365,000.

In a follow-up interview with Waste Management representatives, staff was advised that the Randolph County landfill, currently under construction, would not be ready to accept MSW until December 1, 2016. Given that information, staff investigated other options for disposal to cover the period from October 12, 2016 through December 31, 2016.

Given the significant cost savings that can be realized by the City of Greensboro, staff recommends the MSW Disposal contract be awarded to Waste Management of Carolinas, Inc., operating the landfill in Randolph County, NC. However, it is recommended that the contract award date be January 1, 2017.

BUDGET IMPACT:

Staff expects this disposal contract to have an annual cost estimated at \$4,000,000 depending on disposal tonnage. The funds for this contract will be available in the current approved operating budget in account # 551-4306-07.5429.

RECOMMENDATION / ACTION REQUESTED:

Staff requests the City Council select Waste Management of Carolinas, Inc. to provide municipal solid waste disposal services and subsequently authorize the City Manager to enter into contract negotiations consistent with the draft agreement found in the RFP #8214 document.