



Legislation Text

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Resolution Authorizing Execution of Contract 2016-10479 with Custom Ecology, Inc. for Municipal Solid Waste Hauling Services

Department: Field Operations
Council District: All

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

Contact 1 and Phone: Dale Wyrick, Field Operations Director, 336-373-2783
Contact 2 and Phone: Chris Marriott, Field Operations Deputy Director, 336-373-7612

PURPOSE:

The purpose of this agenda item is to have the City Council select a vendor to provide services for hauling municipal solid waste brought to 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 #2016-10419 document. This contract shall be for a three-year initial term with the option of 2 additional one-year extensions. The current contract with Hilco Transport, Inc. will expire October 15, 2016.

BACKGROUND:

Since 2006, the City of Greensboro has contracted to provide municipal solid waste hauling 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 hauling of about 222,000 tons of municipal solid waste from the City's transfer station to Uwharrie was about \$2,500,000.

The Field Operations Department issued an RFP (Request for Proposals) #2016-10419 on March 28, 2016 for Municipal Solid Waste Hauling Services to six (6) landfills in North Carolina. We received three responses for this RFP. The companies that responded were as follows:

- Atomic Transport, LLC, based in Fort Payne, Alabama
- Hilco Transport, Inc., based in Greensboro, North Carolina
- Stafford Transportation of North Carolina, Inc. d/b/a Custom Ecology, Inc. (CEI), based in Mableton, Georgia

These proposals were then evaluated by both HDR Engineering of the Carolinas, Inc. and city staff. HDR provided an evaluation (Attachment 1) of the proposals that illustrate the round trip truck miles to each landfill in Table 1, the per mile cost based on annual tonnage and round trip mile ranges traveled in Table 2, and a price per ton in Table 3. Table 3 of Attachment 1 shows that CEI had the lowest hauling cost per ton to the Randolph County landfill and Uwharrie Environmental landfill, while Hilco Transport had the lowest hauling cost per ton to Upper Piedmont Regional landfill, Charlotte Motor Speedway landfill, Anson County landfill, and Sampson

County landfill. Based on their submitted proposal, Atomic Transport, LLC was eliminated from further consideration as they did not provide pricing for 4 of the 6 potential landfills specified in the RFP. The remaining companies in this process are then Hilco Transport and CEI.

Upon further review of the Hilco/CEI cost evaluation, it was noted that there were significant differences in the routing and round-trip mileage to several landfills specified in the RFP, most notably the Randolph County landfill. Dale Wyrick spoke with the Randolph County Public Works Director to determine the preferred route into the new Randolph County landfill. Once that route and round-trip mileage was determined, staff then developed routes and round-trip mileage for the remaining 5 landfills. After consulting with our Legal Department, we asked both Hilco and CEI to provide revised pricing based on the newly-created routing and specified mileage, as well as additional information on company safety records. Shortly after requesting the new pricing based on specific routes, Dale Wyrick was made aware that Price Form 1 of the original proposal was seen by Hilco and CEI staff at the time proposals were received on May 6, 2016.

Revised pricing based on the City's routing was received June 8, 2016. HDR provided the revised evaluation with City-specified routing (Attachment 2). Table 3 of Attachment 2 shows that CEI continued to be the low cost per ton option to the Randolph County landfill and Uwharrie Environmental landfill, while Hilco Transport continued to be the low cost per ton option to Upper Piedmont Regional landfill, Charlotte Motor Speedway landfill, Anson County landfill, and Sampson County landfill. As both companies provided a low cost option dependent on the destination landfill, the final staff selection was now dependent on the final MSW disposal site, also under an RFP process.

Staff also prepared a MSW Hauling RFP Evaluation (Attachment 3) that shows how Hilco and CEI performed based on the evaluation criteria provided in the RFP. This chart shows that Hilco is stronger in categories of **Responsiveness, Financial Strength, Safety, Operations, Project Approach, and Project Schedule**. CEI is stronger with their **Cost Proposal**. The two companies are basically tied as it relates to **Qualifications, Environmental, M/WBE efforts**, and adherence to the **Draft Agreement**. While Hilco is stronger company in many of these categories, HDR and staff concluded that CEI would be an acceptable alternative as a hauler.

A separate RFP for a municipal solid waste disposal site was issued in June, 2016. Those proposals were received on July 12, 2016. HDR provided an additional evaluation (Attachment 4) that combined per ton hauling costs with per ton disposal costs in Table 5. Table 5 shows the low cost option for hauling and disposal to be the combination of CEI as a hauler and the Randolph County landfill (operated by Waste Management) at \$25.229 per ton. The next lowest cost option is the combination of Hilco Transport as a hauler and Randolph County landfill (operated by Waste Management) at \$26.447 per ton, assuming historical tonnage. The difference in these options is \$1.218 per ton, or approximately \$240,000 annually, assuming 200,001 tons of MSW is hauled and disposed.

BUDGET IMPACT:

Staff expects this hauling contract to have an estimated annual cost of \$1,750,000, depending on tonnage and selected vendor. The funds for this contract will be available in the current approved operating budget in account # 551-4306-07.5429.

RECOMMENDATION / ACTION REQUESTED:

Staff recommends that the City Council award the municipal solid waste hauling services agreement to Custom

Ecology, Inc. and subsequently authorize the City Manager to enter into contract negotiations with the selected vendor consistent with the draft agreement found in the RFP 2016-10419 document.