



**Date:** March 1, 2012

**To:** Thomas J. Bonfield, City Manager  
**Through:** Theodore L. Voorhees, Deputy City Manager  
**From:** Donald M. Long, Director  
Department of Solid Waste Management  
**Subject:** Amendment #1 to the Comprehensive Solid Waste Disposal Plan Contract

### **Executive Summary**

In March 2011, The City of Durham's Department of Solid Waste Management (SWM) issued a Request For Proposal (RFP) seeking qualified consultant firms (Consultant) that specialize in solid waste planning, permitting and design to assist with developing and implementing a Comprehensive Solid Waste Disposal Plan (the "Plan"). This Plan, to be implemented in three phases, consists of 1) a review and analysis of current SWM operations and existing system conditions at the City transfer station (transfer, loading, usage, materials flow, etc.) and to make recommendations regarding system improvements, 2) to prepare an RFP to solicit private-sector partners for the individual components of the project recommended in Phase I and to assist the City in the selection process, and, 3) to prepare for facility permitting and contracting services that are required for waste disposal operations. This will be based upon recommendations submitted to the City in Phases I and II.

Three proposals were received from three qualifying consulting agencies, and Clough Harbour & Associates, LLP (CHA), an engineering firm, was selected to assist the Department of Solid Waste Management in the development of the Comprehensive Solid Waste Development Plan (the "Plan"). CHA has completed Phase I in developing the Plan, presented their findings to City Council, and is now prepared to move forward into Phase II.

### **Recommendation**

The Department recommends that the City Manager be authorized to amend the Comprehensive Solid Waste Disposal Plan contract with CHA to allow the Consultants to begin Phase II of the Plan. The total cost of this amendment is not to exceed \$132,945 plus a contingency of \$13,295.

The administration further recommends the City Manager be authorized to modify the contract, if necessary prior to execution, provided the modifications do not increase the cost of the contract to the City, and the modifications are consistent with the general intent of the version of the contract approved by City Council.

### **Background**

Nearly 15 years ago, the City of Durham's Transfer Station was designed and built as a temporary facility until the construction of the new landfill was completed. During construction of the transfer station, it was decided that the City would not construct a new landfill. The decision to not build a landfill meant that the temporary transfer station had become a permanent fixture. In August 2007,

the City received a Notice of Violation from North Carolina Department of Natural Resources for the poor condition of the tipping floor where commercial vehicles eject their waste. The City spent nearly \$800,000 in construction costs and lost nearly \$250,000 in tipping fee revenues while the facility was being repaired.

In lieu of spending additional funds continuously doing patch work on the facility, SWM decided to develop a comprehensive study of its current facility and operations. In March 2011, SWM issued a RFP seeking qualified consultant firms that specialize in solid waste planning, permitting and design to assist with developing and implementing a Comprehensive Solid Waste Disposal Plan. Three proposals were received from three qualifying consulting agencies, and CHA engineering firm was chosen to assist SWM in developing the Plan. CHA is responsible for reviewing current transfer station operations, convenience center management, and development options for the design and building of a facility that will establish waste diversion as a primary goal for the next 20 years. The RFP gave the Consultant the options of proposing a larger facility to be built, making capital improvements to the existing facility, and investigating the feasibility of the City forming a partnership with the private sector.

The Plan is to be developed in three phases: In Phase I, the Consultant reviewed and analyzed existing system conditions at the City transfer station (transfer, loading, usage, materials flow, etc.) and made recommendations regarding system improvements. Phase I required the Consultant to provide multiple models or suggestions for alternative disposal methods of MSW, C&D material and yard waste material including Waste to Energy and Dirty MRF options. In January 2012, CHA presented to City Council a Power Point Presentation detailing its findings in Phase I.

Phase II will require the Consultant to prepare an RFP to solicit private-sector partners for the individual components of the project as recommended in Phase I. The Consultant will assist with the administration, evaluation and selection process for responses received from the RFP. Requirements in this Phase include analyzing cost factors and best practices in construction design and materials, and providing a matrix including key elements of each proposal received, such as technology used, and location of all disposal services. CHA will evaluate, if applicable, the proposed private-sector partnerships and prepare a project financing proposal. They will consider the feasibility, cost and environmental factors associated with the project elements proposed by responders, provide a matrix separating each cost aspect of transfer station operations, including disposal, hauling, and the transfer stations operations.

Phase III requires CHA to prepare for facility permitting and contracting services that are required for waste disposal operations. This will be based upon recommendations submitted to the City in Phases I and II. CHA will develop a project description suitable for submittal to initiate State and local permit processes and environmental review including possible zoning changes to the appropriate agency. Final designs for improving the current waste facility, building a new facility or for any combination of the two will be provided during this phase.

### **Issues and Analysis**

The City's transfer station, in its current state, cannot last many more years without continuous costly repairs. The goal of developing a comprehensive solid waste plan to address MSW and recycling operations, disposal concerns and address additional ways to increase waste diversion opportunities at the transfer station is to save the City money. The Plan is being developed in three phases; this amendment is to begin Phase II, which incorporates the tasks of 1) develop and issue an

RFP to solicit and receive proposals for MSW and recyclable materials management, 2) receive, review and evaluate proposals, 3) provide an evaluation report and a comprehensive plan and presentation to the City.

### **Alternatives**

The City could continue to operate the current facility at the risk of being fined by NCDENR. This risk will increase over time without major renovations to the facility.

The City Council could choose to continue with the development of the Plan by accepting the Consultant's report from Phase I and authorizing the City Manager to move forward into Phase II.

The City Council could also choose to direct Administration to reject the current recommendations from Phase I, discontinue this Contract and solicit new proposals for this service. However, this alternative is not recommended. Given the current state of the transfer station, it is unlikely that the City will find a better qualified consulting firm within a reasonable time frame. Furthermore, given the limited number of qualified firms available, it is unlikely that additional proposals would be much different than the ones previously received.

The recommended alternative is to amend the Original Contract and authorize Administration to move forward into Phase II of developing the Comprehensive Solid Waste Disposal Plan with CHA, Inc.

### **Financial Impact**

The financial impact is spread through the three phases, with each phase having its own scope of work. Before each phase begins, the City Manager or Designee will approve the scope of work and financial impact of that phase.

Phase I has been completed, with a total expenditure of \$41,656.88. The cost for completing tasks in Phase II will not exceed \$132,945. For additional services and requests outside of the scope of services listed above, the Consultant will bill the City independently of the three tasks. The contingency for the additional services above the tasks in Phase II shall not exceed \$13,295.

No new funds were required for Phase I and will not be required for Phase II. Funding for these Phases are available in 2008 two-third bond proceeds for Solid Waste Management construction projects.

### **SDBE Summary**

The Equal Opportunity/Equity Assurance Department reviewed the original proposal submitted by CHA Engineering, LLC of Cary, North Carolina and have determined that they are in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. No M/SDBE or W/SDBE goals were set.