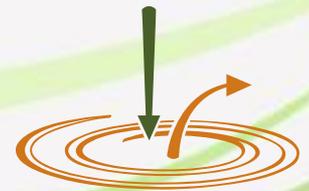




# City of Durham Solid Waste Recommendations for Contract Award

City Council Work Session  
May 23, 2013



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# Existing Contracts

- Transfer and Disposal
  - Republic Services
  - Expires 6/30/2013
- Recyclables Processing
  - Sonoco
  - Expires 12/14/2013

# RFP Process

- Oct 2012 – RFP released
- Nov 2013 – Pre-proposal meeting
- Jan 2013 – 6 proposals received
- Jan-Feb 2013 – Evaluation Committee review
- Mar 2013 – Negotiations initiated with top-ranked firms

## Transfer & Disposal

- Republic Services
- Waste Industries

## Recyclables Processing

- Sonoco Recycling
- Waste Management

- Recommendations for award:

- **Waste Industries** – Transfer & Disposal
- **Sonoco Recycling** – Recyclables Processing

# Transfer & Disposal Contract

- New Transfer Station (15,000 s.f.) at City's WDRC
- Approx. \$3.4 million capital investment
- Constructed and operated by Waste Industries
- The City will take ownership at completion of construction
- Buy-out clause-balance of capital investment (other responder wanted balance of capital investment and potential loss of revenue)
- 6 months construction timeline –does not include permitting
- Interim modifications to existing transfer station
- Transfer of solid waste and recyclables (in NC)
- Future C&D transport and disposal at lower cost

# Transfer & Disposal Fees

	Fee/Ton	Est. Tons/Yr	Est. Annual Cost
<b>Current Contract</b>			
MSW Transfer & Disposal (FY 2012)	\$ 44.15	130,000	\$ 5,739,500
Recyclables Transfer	NA	NA	NA
<b>Current Contract Total</b>			<b>\$ 5,739,500</b>
<b>Republic Services</b>			
MSW Transfer & Disposal	\$ 41.00	130,000	\$ 5,330,000
Recyclables Transfer	\$ 17.59	14,000	\$ 246,260
<b>Republic Services Total</b>			<b>\$ 5,576,260</b>
<b>Waste Industries</b>			
MSW Transfer & Disposal	\$ 36.82	130,000	\$ 4,786,600
Recyclables Transfer	\$ 17.46	14,000	\$ 244,440
<b>Waste Industries Total</b>			<b>\$ 5,031,040</b>

# Recyclables Processing Contract

- Same service provider – Sonoco
- Program Recyclables received at new transfer station, then transported to Raleigh MRF
- Segregated cardboard delivered directly to Sonoco's Durham facility
- Revenue based on percentage of Average Market Value (AMV) according to market index

# Recyclables Processing Revenue

						May 2013 AMV				
Range of Potential AMV Values	\$75.00	\$85.00	\$90.00	\$100.00	\$115.00	<b>\$117.73</b>	\$125.00	\$135.00	\$150.00	\$175.00
<b>Current Contract</b> \$30/ton if average price >\$90 \$18/ton if average price ≤\$90	\$18.00	\$18.00	\$18.00	\$ 30.00	\$ 30.00	<b>\$ 30.00</b>	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
<b>Sonoco Recycling</b> (AMV - \$50) x 60% + transfer subsidy Transfer subsidy = \$10/ton if AMV ≥ \$90.01 \$8/ton if \$70.01 ≤ AMV ≤ \$90.00 \$6/ton if AMV ≤ \$70.00	\$23.00	\$29.00	\$32.00	\$ 40.00	\$ 49.00	<b>\$ 50.64</b>	\$ 55.00	\$ 61.00	\$ 70.00	\$ 85.00

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# QUESTIONS?