



**Date:** January 20, 2015

**To:** Thomas Bonfield, City Manager  
**Through:** W. Bowman Ferguson, Deputy City Manager  
**From:** Donald M. Long, Director Solid Waste Management  
**Subject:** Household Hazardous Waste Contract

**Executive Summary**

In January 2004, ECOFLO, Inc. was selected as the City’s Contractor to operate the Household Hazardous Waste (HHW) facility for a period of four years. Although typically referred to as the HHW facility, both HHW and electronic waste, such as old computers, televisions and small appliances, were accepted and managed at the HHW facility at that time.

The Solid Waste Management Department (the “Department”) made the decision to issue a Request for Proposal (“RFP”) for these services. The Department received three proposals, of which ECOFLO, Inc., was determined to be the best, based on criteria established in the RFP.

**Recommendation**

The Administration recommends the City Council to authorize the City Manager to execute the Household Hazardous Waste contract between the City of Durham and ECOFLO, Inc. for a period of five years, at a cost through the remainder of the 2014-15 fiscal year of \$87,850 and \$210,840 per year thereafter, for a total cost through June 30, 2020 of \$1,142,050, not including any applicable increase for CPI.

**Background**

In January 2004, ECOFLO, Inc. was selected to be the City’s Contractor to operate the HHW facility for a period of four years. During Fiscal Year 2005-06, the Budget and Management Services Department coordinated a managed competition initiative focusing on optimizing and consolidating the HHW program. The primary scope of the program was to evaluate the feasibility and demand for a single drop-off site, evaluate the operational challenges of coordinating HHW activities between the Solid Waste and Water Management Departments, and to develop a plan to offer a “seamless” HHW experience for citizens. As a result of the managed competition initiative, it was determined that the HHW program should be transferred to the Solid Waste Management Department.

During Fiscal Year 2013-2014, over 273,727 pounds of HHW were diverted from the waste stream. The continued collection of household hazardous waste is a vital service to the community that ensures the safe disposal of HHW, as well as assists in meeting the City’s waste reduction goals. The new facility, which was completed in September of 2014, optimizes the handling of HHW by co-locating it at the Transfer Station property. This changed the scope of services needed from the vendor.

The City of Durham's Solid Waste Management Department issued a request for proposals (RFP) on November 17, 2014 for provision of services related to the operation of the City's HHW facility, and management of materials received at the site. The RFP was posted on the City of Durham website for availability to interested vendors. A Pre-Proposal conference was held on December 1, 2014. The conference was attended by representatives from ECOFLO, Inc., TRADEBE, Inc. and SR&R, Inc. The deadline for receipt of proposals was December 19, 2014 at 4:00 pm.

Proposals were received from ECOFLO, Inc., TRADEBEE, Inc. and MXI Environment Services, LLC. SR&R, Inc. did not submit a proposal. All three proposals were considered to be responsive and so were included for review by the evaluation team. The evaluation team consisted of three members of the Solid Waste Management department. The evaluation criteria, identified in the RFP, were:

- Overall Experience of the contractor (40 Points)
- Cost Effectiveness and Value (35 points)
- Methodology/Technique of Collection/Operations (25 points)

Evaluation scores are summarized in Table 1.

**Table 1**  
**City of Durham Household Hazardous Waste Proposal Evaluation Summary**

<b>VENDOR NAME</b>	<b><u>Overall Experience:</u> (40 points)</b>	<b><u>Cost Effectiveness and Value</u> (35 points)</b>	<b><u>Methodology/Technique of Collection-Operations</u> (25 points)</b>	<b>TOTAL POINTS 300 (100 x 3 reviewers)</b>
<b>ECOFLO, INC.</b>	120	103	75	298
<b>MXI Environmental Services, LLC</b>	105	85	66	256
<b>TRADEBEE</b>	80	73	55	208

The ECOFLO, Inc. proposal was scored highest overall by all reviewers. Cost information from the three proposals received is summarized in Table 2.

**Table 2  
City of Durham Household Hazardous Waste Cost Proposals**

	<b>ITEM</b>	<b>ECOFLO, Inc.</b>	<b>MXI Environmental</b>	<b>TRADEBEE</b>
<b>A</b>	HHW management (\$/lb)	\$0.59	\$0.57	\$0.50
<b>B</b>	Estimated pounds/month	25,571	25,571	25,571
<b>C</b>	\$ EST. TOTAL - HHW Management (= line 'A' x 'B')	\$15,087	\$14,575	\$12,786
<b>D</b>	Labor - HHW site attendant - 45 hrs/mth	\$2,482.20	\$4,000.00	\$6,532.50
	<b>\$ EST TOTAL/MONTH (= line 'C' + 'D')</b>	<b>\$17,569.09</b>	<b>\$18,575.47</b>	<b>\$19,318.00</b>

The ECOFLO, Inc. proposal provided the lowest overall cost, and represented a reduction in unit cost pricing from the current ECOFLO contract of \$0.67 per pound for management of waste materials collected to \$0.59 per pound, and a slight increase in labor cost per month for site operation from \$2411.13 to \$2,482.20. However, the current contract included only 34.5 operating hours per week, while the new contract includes 45 hours per week, which is in line with the current operating hours for the facility.

**Issues/Analysis**

With the relocation of the HHW facility to the Waste Disposal and Recycling Center property, solid waste services have been consolidated at the Transfer Station. The Department issued an RFP seeking alternative recycling/disposal options for HHW which would better serve the City's needs at the new collection facility.

**Alternatives**

One alternative considered was to cease having the HHW facility open during regular operating hours and instead coordinate occasional "clean-up" days throughout the year. This option would have been less costly to the department's operating budget, but would also have posed an inconvenience to Durham's residents and have been more costly for the environment and storm water, as citizens may have chosen not to stockpile HHW until the next collection event.

A final alternative would be to cease collecting HHW, which would likely have led to devastating impacts on the environment.

**Peer Comparison**

It can be challenging to obtain "apples-to-apples" comparisons for programs and services from one jurisdiction to another. Solid Waste Management staff contacted the County of Wake and the City of Greensboro to obtain information about their HHW programs and associated costs and materials collected.

The City of Greensboro, home to ECOFLO, Inc., also contracts with ECOFLO, Inc. for HHW services. Greensboro's contract is structured differently than the City of Durham's. While the City of Durham compensates ECOFLO for each pound of HHW material accepted at the site (excluding materials diverted to the City's Swap Shop), the City of Greensboro's contract provides separate pricing by approximately thirty different categories of materials, most

priced by volume rather than weight. The ECOFLO, Inc. agreement with the City of Greensboro also provides for a monthly operating fee, related to provision of facilities, worker's compensation, insurance, tools, supplies, equipment, etc., as well as an hourly rate for on-site labor. As ECOFLO, Inc. is located within the City of Greensboro, materials are delivered to the ECOFLO, Inc. facility rather than to a separate City facility.

Wake County likewise contracts with ECOFLO, Inc. for HHW services. While the Wake County contract is similarly priced by the pound for material management, it includes over eight individual material categories and associated pricing. Monthly labor costs vary between the two sites operated for Wake County, based on the number of staff at each facility (three for a northern Wake County facility, two for a southern Wake County facility, as well as for a "floater" to serve either site, based on need.

Table 3 presents a summary of the pricing structure for HHW contracts in each of the three jurisdictions.

**Table 3  
City of Durham Peer Comparison Pricing**

<b>Item</b>	<b>City of Durham</b>	<b>City of Greensboro</b>	<b>Wake County</b>
Material management pricing	Weight based – single price	Volume based	Weight based – multiple prices by material type
Monthly operating fee	\$2,482.20	\$1,375	\$11,730 – Northern Wake \$8,300 – Southern Wake \$3,400 – floater tech
On-site labor	Included in monthly fee	\$33.00/hour	Included in monthly fee

**Financial Impact**

The cost of the contract is \$87,850 through June 30, 2015 and \$210,840 per year plus applicable CPI for each fiscal year thereafter through June 30, 2020. Table 4 summarizes the cost information used to develop these estimated costs. The first cost increase or decrease, tied to the consumer price index for urban areas ("CPI-U"), could occur July 1, 2017. No new funds are required for this contract, as funding for HHW services was allocated through the annual budget process for FY-14-15.

**Table 4  
ECOFLO, Inc. Proposal Cost Summary**

<b>ITEM</b>	<b>UNIT PRICE</b>	<b>ESTIMATE/MTH</b>	<b>NOTES</b>
HHW management	\$0.59/lb	\$15,090	Materials to be recycled, fuel blended, incinerated, treated and/or landfilled
Attendant	\$620.55/week	\$2,482	45 hours per week
<b>TOTAL</b>		<b>\$17,570</b>	

**SDBE Summary**

Not applicable

**Attachments**

Household Hazardous Waste Contract  
ECOFLO proposal – December 19, 2014

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<sup>i</sup> Based on peak quantity collected at the City of Durham HHW facility during September, 2014.