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KEN GREHM, EXECUTIVE DIRECTOR

MEETING OF THE BOARD OF DIRECTORS SPECIAL MEETING AGENDA

November 29, 2021 5:00 PM
Materials Recovery Facility Administration Building
3013 Fiddymment Road, Roseville, CA 95747

The WPWMA Board of Directors November 29, 2021 meeting will be open to in-person attendance. Individuals may also participate in the meeting via Zoom at <https://placer-ca-gov.zoom.us/j/91623898701>

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection by emailing the Clerk of the Board at info@WPWMA.ca.gov. The Western Placer Waste Management Authority is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you require disability-related modifications or accommodations please contact the Clerk of the Board at (916) 543-3960 or at info@WPWMA.ca.gov. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk three business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated if time permits.

1. Call Meeting to Order
2. Pledge of Allegiance (Director Gore)
3. Roll Call
4. Statement of Meeting Procedures (Clerk of the Board)
5. Public Comment

This is a time when persons may address the Board regarding items not on this Agenda. It is requested that comments be brief, since the Board is not permitted to take any action on items addressed under Public Comment.

6. Announcements & Information
 - a. Reports from Directors ----
 - b. Report from the Executive Director (Ken Grehm) ----

7. Action Items

b. MRF and WRSL Operations Procurement – Operator Selection and Authorization to Negotiate Final Agreements (Ken Grehm)

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Staff recommends your Board, via two separate and discrete actions:

1. Authorize staff to initiate formal contract negotiations with FCC, as the top-ranked firm, for future operation of the Materials Recovery Facility; and
2. Authorize staff to initiate formal contract negotiations with FCC, as the top-ranked firm, for future operation of the Western Regional Sanitary Landfill.

8. Upcoming Agenda Items

Identification of any items the Board would like staff to address at a future meeting.

9. Adjournment

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **NOVEMBER 29, 2021**
FROM: **KEN GREHM**
SUBJECT: **MRF AND LANDFILL OPERATIONS PROCUREMENT – OPERATOR
SELECTION AND AUTHORIZATION TO NEGOTIATE FINAL
AGREEMENTS**

RECOMMENDED ACTION:

Staff recommends your Board, via two separate and discrete actions:

1. Authorize staff to initiate formal contract negotiations with FCC Environmental Services (FCC), as the top-ranked firm, for future operation of the Materials Recovery Facility; and
2. Authorize staff to initiate formal contract negotiations with FCC, as the top-ranked firm, for future operation of the Western Regional Sanitary Landfill.

BACKGROUND:

The following provides an overview of the materials recovery facility (MRF) and Western Regional Sanitary Landfill (WRSL) operations procurement processes.

RFP Development and Issuance

At the May 21, 2020 meeting, your Board directed staff to develop Requests for Proposals (RFP) for future operations of the MRF and the WRSL. At the September 17, 2020 meeting, your Board approved the MRF and WRSL operations RFPs and directed staff to work with Placer County’s Procurement Services Division (Procurement) to issue the RFPs and conduct the competitive procurement processes.

Acknowledging the significance of SB 1383, the MRF RFP required firms to guarantee and to demonstrate how they would meet CalRecycle’s “high diversion organic processing facility” performance requirements. To facilitate this, the MRF RFP process was designed to consist of two separate and distinct phases: Phase I involved a broad solicitation with the requirement to provide firm experience and qualifications and a conceptual (~10%) level MRF design and associated capital and operating cost estimates. Phase II involved selection of the top-ranked firms to further develop their designs and cost estimates to an approximately 30% level (design competition). The WRSL RFP process was designed as a single step process. While not required, the WPWMA indicated its preference that a single entity operate both the MRF and WRSL.

On September 25, 2020, Procurement issued both RFPs through its “Bids and Tenders” web-based procurement platform. This platform enabled firms that had signed up online with the system to receive email updates on the procurement process, upload their proposals electronically, and digitally acknowledge all applicable policies, thereby reducing the potential for incomplete or unresponsive submissions. The WRSL solicitation was issued as RFP No. 20122 “Operation of the Western Regional Sanitary Landfill”; the MRF solicitation was issued as RFP No. 20123 “Material Recovery,

Organics Processing, and C&D Debris Recovery Facilities Conceptual Designs and Operational Services”.

Proposal Evaluation Committee

An evaluation committee comprised of representatives of the WPWMA and Member Agencies was established for the purposes of reviewing and ranking the MRF and WRSL proposals; participating in interviews, design concept meetings, and final presentations with the proposing firms; and conducting site visits associated with the MRF procurement.

Scoring of the proposals was conducted independently by each Evaluation Committee member. The Procurement Manager tallied and summarized the scores for the purposes of preparing the firm rankings associated with each procurement. The summarized scores for both MRF and WRSL procurements are attached as Exhibit A.

Proposal Submission

Both MRF and WRSL proposal submissions were due to Procurement by 5 p.m. January 11, 2021 via Placer County’s “Bids and Tenders” web-based procurement platform.

WRSL operations proposals were timely received from three firms: 1) FCC, 2) GreenWaste of Placer County (GWP), and 3) Republic Services.

MRF operations proposals were timely received from four firms: 1) Nortech Waste, 2) FCC, 3) Mustang Renewable Power Ventures, and 4) GWP.

Evaluation of MRF Proposals and Selection of Finalists

The Evaluation Committee reviewed and ranked the initial MRF proposals and provided a recommendation to the WPWMA on which firms should be selected as finalists to move to the second phase of the MRF procurement process.

At the April 8, 2021 meeting, your Board selected FCC and GWP as the finalists and authorized the Executive Director or designee to execute separate design agreements with each firm. These design agreements served as the contractual mechanism for the finalists to advance their conceptual designs to a 30% level. To help offset some of the costs associated with further developing their designs, your Board authorized compensation of \$50,000 to each firm, payable at the conclusion of the design competition period.

Proposed MRF Operational Approach

Both GWP and FCC have proposed upgrading the MRF and operating it in such a way to comply with SB 1383.

Generally, both firms propose to perform an initial level of screening of the municipal solid waste (MSW) received at the MRF to remove a significant portion of the organic fraction from the waste stream. These materials would be sent to the composting facility, blended with greenwaste, and composted utilizing covered aerated static pile methods. The remainder of the MSW stream would be further screened and processed to remove other recyclable materials (e.g., paper, cardboard, plastics, metals, etc.)

Both firms also indicated they could accept and process clean, source-separated recyclable materials from a “3-cart” collection system.

Both firms included detailed tonnage estimates of how they would comply with the “high diversion organic processing facility” requirements of SB 1383 based on the WPWMA’s FY 2018/19 waste composition study results. This will provide maximum flexibility to the jurisdictions as they consider possible changes to their waste collection methods. A summary of the diversion rates proposed by FCC and GWP are included in Exhibit B.

MRF Design Competition and Site Visits

On September 24, 2021, FCC and GWP submitted their 30% MRF design proposal packages and associated updated capital and operational cost estimates. During the first week of October, both FCC and GWP were afforded the opportunity to present their 30% design packages to the Evaluation Committee.

In late August, the Evaluation Committee and Purchasing Manager conducted site tours of FCC’s operations in Texas and GWP’s operations in California. Between mid-October and early November, your Board and the Executive Director also conducted site tours of FCC’s and GWP’s operations. To ensure compliance with the Brown Act, multiple trips to each firms’ facilities were scheduled for your Board so that no more than two directors were present during each site tour.

Final Ranking of MRF Proposers

Following review of the 30% design packages, conducting the site tours, and considering the information presented during each firms’ final presentation, the Evaluation Committee scored the finalists according to the following criterion:

Criteria	Maximum Points
Qualifications and Experience	20
Facility Design Submission	30
Design Presentation	20
Cost	30
Total	100

Evaluation Committee members did not assign a score for the cost category. Using the cost information provided by FCC and GWP, the Purchasing Manager calculated an annualized operating and capital cost estimate for each firm. The low-cost firm received full points in this category while the more expensive firm received a prorated score based on the relative relationship between the two cost estimates. The Purchasing Manager’s analysis indicated that FCC’s proposed costs were approximately 21% less than those of GWP.

Annual operating costs were estimated based on the proposed per ton processing fees identified by each firm in their 30% design submittal and the anticipated processed tonnages consistent with the WPWMA Financial Forecasting model. The annualized capital costs were estimated using a simple interest loan model with a term of 30 years and an annual interest rate of 2.75%.

Based on this scoring and ranking methodology, the final ranking and scoring (out of a possible 600 total points) associated with the MRF procurement process is shown below:

1. FCC (540.5 points)
2. GWP (518.4 points)

A summary of key details of the MRF proposals is included in Exhibit B.

Evaluation of WRSL Proposals and Ranking of Firms

Concurrent with review of the MRF proposals, the Evaluation Committee reviewed and scored the WRSL proposals. On Monday October 4, 2021, the Evaluation Committee conducted interviews of the three firms (FCC, GWP and Republic) that had submitted proposals to operate the WRSL.

The Evaluation Committee scored the WRSL proposals according to the following criterion:

Criteria	Maximum Points
Qualifications and Experience	20
Facility Design Submission	30
Design Presentation	20
Cost	30
Total	100

Evaluation Committee members did not assign a score for the cost category. Using the cost information provided by FCC, GWP and Republic, the Purchasing Manager calculated an annualized operating cost estimate for each firm. The low-cost firm received full points in this category while the more expensive firms received a prorated score based on the relative relationship between their proposed cost and the low-cost proposal. The Purchasing Manager's analysis indicated that FCC's proposed costs were approximately 41% less than those of GWP and approximately 50% less than those of Republic.

Based on this scoring and ranking methodology, the final ranking and scoring (out of a possible 600 total points) associated with the WRSL procurement process is shown below:

1. FCC (504.0 points)
2. GWP (458.7 points)
3. Republic (454.5 points)

ENVIRONMENTAL CLEARANCE:

There is no environmental impact associated with the recommended actions. During negotiations, staff will work with the firm(s) to identify what elements of their proposals may require additional environmental review beyond the analysis conducted during

previous environmental review efforts and within the current Waste Action Plan Draft Environmental Impact report and return to your Board as appropriate.

FISCAL IMPACT:

Staff anticipate that the WPWMA will initially incur approximately \$100,000 for assistance from outside legal counsel in negotiating the agreements. Preliminary financial comparisons of the MRF and WRSL proposals are included in Exhibit B and C, respectively. Staff will provide a detailed fiscal impact associated with these two projects at the time it returns to your Board for consideration of the final operating agreements.

ATTACHMENTS: EXHIBIT A – MRF AND WRSL PROCUREMENT COMBINED SCORES
EXHIBIT B – SUMMARY OF KEY MRF PROPOSAL ELEMENTS
EXHIBIT C – SUMMARY OF WRSL PROPOSAL COSTS

EXHIBIT A
MRF AND WRSL PROPOSAL EVALUATION SCORE SUMMARIES

Final Combined Scores for 20123 - Material Recovery, Organics Processing, and C&D Debris Recovery Facilities Conceptual Designs and Operational Services

Criteria	Max Score	FCC	GWP
Qualifications & Experience	120	105.0	114.0
Facility Design Submission	180	147.5	154.5
Design Presentation	120	108.0	107.0
Cost	180	180.0	142.9
Total	600	540.5	518.4

Final Combined Scores for 20122 - Operation of the Western Regional Sanitary Landfill

Criteria	Max Score	FCC	GWP	Republic
Qualifications & Experience	120	94.0	94.0	110.0
Operational Plan	210	168.0	177.0	171.0
Financial Qualifications	60	57.0	49.5	48.0
Interview	60	35.0	49.5	50.0
Cost	150	150.0	88.7	75.5
Total	600	504.0	458.7	454.4

EXHIBIT B
SUMMARY OF KEY MRF PROPOSAL ELEMENTS

Description	Current	FCC	GWP
Processing Fee ¹			
MSW	\$47.71	\$64.56	\$88.00
C&D	\$32.81	\$44.69	\$65.00
SS Green	\$37.71	\$51.34	\$58.00
SS Food	\$37.71	\$51.34	\$75.00
SS Wood	\$29.33	\$39.94	\$36.00
Inerts	N/A ²	\$44.69	\$24.00
HHW (per year)	\$468,061	\$476,487	\$585,900
Capital Cost		\$110,740,895	\$135,478,602
Diversion Rate ^{3,4}	46.4%	79.6%	76.0%
Regulatory Compliance ⁵			
AB 939	Yes	Yes	Yes
SB 1383	No	Yes	Yes
Cal Green	No	Yes	Yes

1) Expressed in dollars per ton unless otherwise noted.

2) Processing of inert materials is not currently part of the MRF Operating Agreement with Nortech Waste.

3) Current diversion rate based on FY 2020/21 data.

4) FCC and GWP diversion rate estimates based on FY 2020/21 tonnages and each firms' anticipated diversion rates for each material stream.

5) WPWMA is not necessarily required to comply with the noted regulations, however the services the WPWMA provides to the Participating Agencies helps to ensure their compliance with these regulatory requirements.

EXHIBIT C
SUMMARY OF WRSL PROPOSAL COSTS

Annual Disposed Tons	Proposed Processing Fees (per ton)		
	Republic	FCC ³	GWP
<200,000	\$25.00	\$30.82	\$26.00
200,000 – 400,000 ¹	\$23.15	\$30.04	\$19.32
>400,000	\$17.00	\$29.28	\$8.70
Annual estimated cost ²	\$7,458,118	\$2,942,468	\$7,085,741

1) Processing fee for disposed tonnage between 200,000 and 400,000 tons per year computed based on methodology identified in the RFP.

2) Based on total tonnage disposed in FY 2020/21 except as noted in Note 3. Flat annual fee paid to NLI in FY 2020/21 was \$2,267,482.

3) In an October 4, 2021 email to Procurement, FCC clarified that the landfill per ton fee does not apply to residuals from the MRF operations and that the disposal fee for these MRF residuals were already built into its proposed MRF processing fees.