

SWAC Meeting

3/21/2023

Present Contract Status

- ▶ Presently the City is in year 8- of a 10-year contract with Casella Waste Systems
- ▶ The Contract covers curbside collection, containerized collection, Downtown Solid Waste Removal District collection, Transfer Station operation, MSW disposal, transportation, and recyclable processing.
- ▶ Contract end date: June 30th 2024 (end of FY 2024)

Competitive RFP Timeline

- ▶ September 12, 2022 – Disposal RFP Issued
- ▶ September 30, 2022 – Disposal Proposals Due
- ▶ October 3, 2022 – Collection RFP Issued
- ▶ December 7, 2022 – Collection Proposals Due
- ▶ December 2022 – Negotiations
- ▶ February 2023 – Conditional Awards to Proposers
- ▶ March 13, 2023 – Council Reports
- ▶ April 10, 2023 – Council Hearing and Action

Competitive RFP

- ▶ Separate Disposal and Collection RFPs
 - ▶ Allows those companies who may only offer disposal or collection an opportunity to respond
 - ▶ Sought 5-Year Terms
 - ▶ The City will award the Contracts to whatever combination of vendors represents the best total combined package for the City
- ▶ Anticipated Changes (reflected in the pro forma)
 - ▶ Recycling Market Adjustments
 - ▶ Presently \$0/ton, market average ~ \$100/ton over the past 3 years
 - ▶ Disposal Cost Adjustments
 - ▶ Presently ~ \$70, market average ~ \$100/ton
 - ▶ Collection Cost Adjustments
 - ▶ Fuel/Labor increases

Competitive RFP

- ▶ The City began its RFP process well in advance of July 1st, 2024 in order to recognize and account for supply chain issues that could arise as vendors seek to capitalize their fleets in advance of the contract start date.

The Proposals

- ▶ Disposal RFP: 4 Proposals submitted, 1 deemed Non-Responsive
- ▶ Collections RFP: 3 Proposals submitted, 1 deemed Non-Responsive

The Original Proposals - Disposal

- ▶ Disposal Vendor A: Location 1, Transfer Station/Landfill
 - ▶ Win-Waste: Location 2, Waste to Energy
 - ▶ Disposal Vendor B: Location 3, Landfill
- ▶ Recall, the City will award the Contracts to whatever combination of vendors represents the best total combined package for the City

The Original Proposals - Collections

- ▶ Collections Vendor A: Partial Submittal
 - ▶ No Manual Curbside Collection
 - ▶ No Transfer Station Operation
 - ▶ No Leaf and Yard Waste Collections
- ▶ Casella Waste: Complete Submittal
 - ▶ Manual Curbside Collection Proposal with Automated Collection Alternate Proposal
 - ▶ Transfer Station Operation is conditional on the award of all other contract elements
- ▶ Recall, the City will award the Contracts to whatever combination of vendors represents the best total combined package for the City

The Proposals - Takeaways

- ▶ External forces are driving the industry to automated curbside collection
 - ▶ This contract is the last contract that the City will sign that includes manual curbside collection for part of its term
- ▶ Fixed Pricing for recyclables is no longer available. All vendors use indexed pricing that fluctuates based on the market
- ▶ Vendors now shift fuel and environmental cost increases onto municipalities
- ▶ Separate disposal and collection RFPs were in the best interest of the City
 - ▶ Using one vendor for both disposal and collections would result in higher overall total costs

Negotiated Proposal - Disposal

- ▶ Based on the **combined costs of disposal and collection**, Win-Waste was determined to be the lowest cost disposal provider for the City
- ▶ The City sought extended terms for both 7- and 10-years bringing down initial year tip fees
- ▶ The most advantageous term for the City's disposal of its solid waste is a 10-year term with Win-Waste
- ▶ Win-Waste is a Waste to Energy (WTE) facility located in Concord
- ▶ The practice of waste disposal through incineration at a Waste to Energy facility is aligned with the State's ordered preference for solid waste management in the state which places such technologies over traditional disposal such as landfilling

Negotiated Proposal - Collections

- ▶ Based on the **combined costs of disposal and collection**, Casella was determined to be the lowest cost collections provider for the City
- ▶ Casella was the only proposer to offer all requested services, including transfer station operation and leaf and yard waste collection
- ▶ The City sought extended terms for both 7- and 10-years
- ▶ Extended term proposals included orderly transitions to automated curbside collection

Automated Curbside Collection



<https://www.youtube.com/watch?v=75Ujx0gvw9w>

The Four Options to Automated Collection

- ▶ An immediate transition on July 1, 2024, as proposed by Casella as an alternate with a five-year term, or
- ▶ A sudden transition on July 1, 2029 at the end of a five-year manual collection term as proposed by Casella, or
- ▶ An orderly transition by July 1, 2027 after a two-year pilot that starts by July 1, 2025 as proposed by Casella's seven-year term, or
- ▶ An orderly transition by July 1, 2028, after a two-year pilot that starts by July 1, 2026 as proposed by Casella's ten-year term.

Automated Collection – Pilot Program

- ▶ A 10-year term with Casella delays a transition to automated collection as long as possible while maintaining an orderly transition
- ▶ A pilot program starting in year 2, with a City-wide transition in year 4, allows for the City to;
 - ▶ Work with residents on program understanding and execution
 - ▶ Work on delivery and collection logistics with residents and our vendor
 - ▶ Engage residents in the process
 - ▶ Avoids a sudden transition which may have pitfalls
 - ▶ Evaluate and modify the program

Automated Collection – NH Experiences

- ▶ Manchester
- ▶ Nashua
- ▶ Rochester
- ▶ Londonderry
- ▶ Bow
- ▶ Laconia

Recommendations

- ▶ Disposal – The Department recommends approving the resolution in accordance with RSA 149-M:17, IV.
- ▶ Collection - The Department recommends the City Manager executes the 10-year contract term with Casella to include procurement, deployment and maintenance of the toters.