

Solid Waste Advisory Committee Meeting

3/21/23

4:30 PM

Members:

Chair: Councilor Keith Nyhan	<input checked="" type="checkbox"/>
Councilor Karen McNamara	<input checked="" type="checkbox"/>
Councilor Gail Matson	<input checked="" type="checkbox"/>
Councilor Brent Todd	<input checked="" type="checkbox"/>
Councilor Paula McLaughlin	<input type="checkbox"/>
Councilor Zandra Rice Hawkins	<input checked="" type="checkbox"/>
Eric Steinhauser	<input checked="" type="checkbox"/>

The meeting was called to order by Chairman Nyhan at 4:30 with a quorum being determined via roll call. He then gave an overview of the agenda.

The SWAC minutes from the previous meeting on 1/5/23 was approved with a motion from Councilor Todd for approval and seconded by Councilor Rice-Hawkins. Councilors McNamara and Matson abstained as they were not present at that meeting.

Chairman Nyhan then asked General Services Director Chip Chesley for an overview on the first agenda item of flow control. Director Chesley gave a brief history of the flow control ordinance indicating that at one time when the city was a sponsor of the Penacook incinerator, it made sense for the City to aggregate waste volumes. That however is no longer the case and GSD will be seeking the committee's recommendation at the next SWAC meeting to support changing the solid waste ordinance to remove flow control. This has been discussed at the committee level in the past and the proposed ordinance will be that was drafted with the Legal Department will be in front of the Council at the April 10th Council meeting. Subsequent discussions presume the changes.

Director Chesley then shifted to the solid waste program overview specifically collection and disposal. He presented the PowerPoint below.

SWAC Meeting

3/21/2023

Present Contract Status

- ▶ Presently the City is in year 9- 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 it's 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 it's 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

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
 - ▶ Provide significant outreach/education opportunities
 - ▶ 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 totes.

The PowerPoint provided an overview of the process by which disposal and collections RFPs were put together, reviewed and ultimately conditionally awarded.

He discussed at length that the City will need Council approval on April 10th of the solid waste disposal destination and for the Council to select a term for the collections contract. He will be looking for SWAC recommendations at the next SWAC meeting scheduled for 3/28/23.

Following the presentation, Chairman Nyhan thanked Staff for all of the efforts involved in the process.

Councilor Rice-Hawkins asked if the number of proposers was in line with what was expected to which Director Chesley replied in the affirmative based on geography and limited number of market participants.

Councilor McNamara asked about the size of the bins. Generally, bins will be 64 gallons for solid waste and 95 gallons for recycling but the pilot program will provide opportunities to investigate further.

Councilor Todd asked about different scenarios where residents may have long roads where no turnarounds are available and if the vendor will be able to look at that with automated collection. Once again, a good opportunity for the pilot program to investigate.

Staff shared that the pilot program as imagined will take the shape of one truck performing a part of each day's collections via automated collection. Routes to be determined.

With regard to the financial considerations, Chairman asked for comments on the comparison between the 7- and 10-year contract terms. These financial terms differ because the infusion of capital dollars for equipment occurs at different points in the contract.

Chairman Nyhan asked for comments on whether the present purple bag PAYT bags will be used with automated collection. The pilot program will likely be conducted with purple bags and compliance will be monitored via audits and through truck-mounted cameras on the hopper.

Councilor Todd and Chairman Nyhan requested information about how the financials of the contract compares to the present contract.

In the public hearing, member of the public Roy Schweiker spoke about the prospect of automated collection and concerns with regard to space for containers, and slopes of the street.

Further comments came from resident Gail Page regarding the need to increase the number of items that can be recycled. She also commented on burning versus landfilling the City's trash.

With that, the public hearing was closed and residents were encouraged to email generalservices@concordnh.gov with further comments.

Lastly, Councilors were encouraged to make sure they are there at the next SWAC meeting 3/28/23.

Councilor Todd then made sure it was clear the transfer station would be around in the next contract which it will be.

Councilor Todd then made a motion to adjourn, seconded by Eric Steinhauser. All were in favor.