



Mayor Sylvester Turner

Single Stream Processing RFP Selection

Housing & Community Affairs Committee
CM Mike Laster, Chairman



Harry Hayes, Director



Sylvester Turner, Mayor

Presentation Overview

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- The Procurement Process
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- Questions





Harry Hayes, Director



Sylvester Turner, Mayor

Background

DATE	ACTIONS
Mar 2016	New contract signed with WM; no ceiling, removed glass, 2-year agreement.
Apr/May 2016	Tax Day/Memorial Floods, SWMD redeployed to flood debris management and clean-up.
May 2016	Began outreach campaign to residents regarding dropping glass from curbside program: mailer, water bill insert, and social media.
Jun 2016	Worked with Strategic Materials on community glass boxes. All costs borne by Strategic to include hauling.
Jul 2016	Glass officially dropped as an acceptable item; amount collected drops by more than 50%
Oct 2016	RFP released for new single stream processing contract.
Nov 2016	Proposers requested 30 day extension of deadline to December 22, 2017.
Jan 2017	Evaluation Committee formed and evaluators began reviewing and scoring of proposals.
Mar 2017	Negotiations began with highest scoring proposer.
Apr 2017	Second and third place proposals are called in for clarification discussion of proposals – requested options to mitigate transportation demand to the city.
May 2017	COH requests Best and Final Offers from top three proposers. BAFOs received. Evaluation Committee reconvenes and scores BAFOs with no change in top scoring proposer.





Harry Hayes, Director

RFP Goals



Sylvester Turner, Mayor

- ▶ Be open to full market of companies, specifically offering opportunities for smaller companies to enter the Houston marketplace.
- ▶ Ensure that glass collection resume. If possible, add other materials to the accepted category, such as plastic bags.
- ▶ Ensure that any company selected shared in market downside risk.





Harry Hayes, Director



Sylvester Turner, Mayor

The Procurement Process



- Jerry Adams
 - Chief Procurement Officer
- Richard Morris
 - Procurement Division Manager
- Elnora Williams
 - Senior Procurement Specialist
- James Cargas
 - Sr. Assistant City Attorney





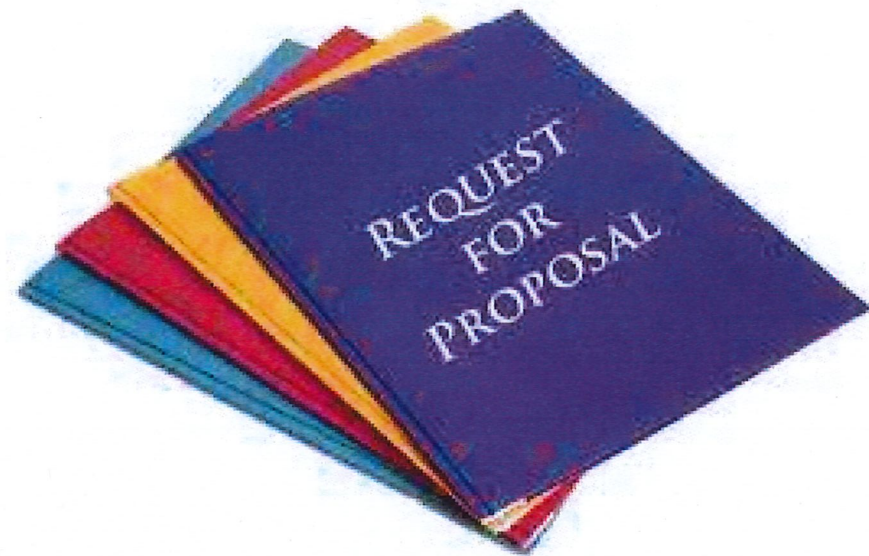
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RFP Response Highlights



Sylvester Turner, Mayor

- ▶ Expected more companies, especially smaller firms or start-ups, to submit proposals thereby increasing competitiveness in the Houston market area.
- ▶ Expected more viable and economical multi-quadrant processing options.
- ▶ Received a total of five responses: four were complete, with three of those from strong billion dollar companies.





Harry Hayes, Director



Sylvester Turner, Mayor

RFP Response Highlights

Vendor	Avg. Processing Fee per Ton (Org.)	Avg. Processing Fee per Ton (BAFO)
FCC	\$87.05/with \$25 ceiling	\$87.05/with \$25 ceiling
Republic/BFI	\$90/no ceiling	\$90/with \$24 ceiling
Waste Management	\$85-\$105/no ceiling; range depends on volume and inclusion or exclusion of glass.	\$85-\$115/no ceiling; range depends on volume and inclusion or exclusion of glass.
Independent Texas Recyclers (ITR)	\$76/no ceiling (*plus additional fees)	No BAFO requested

* Additional fees for contamination and handling of residual.

* The Ceiling is equal to the City's disposal rate.





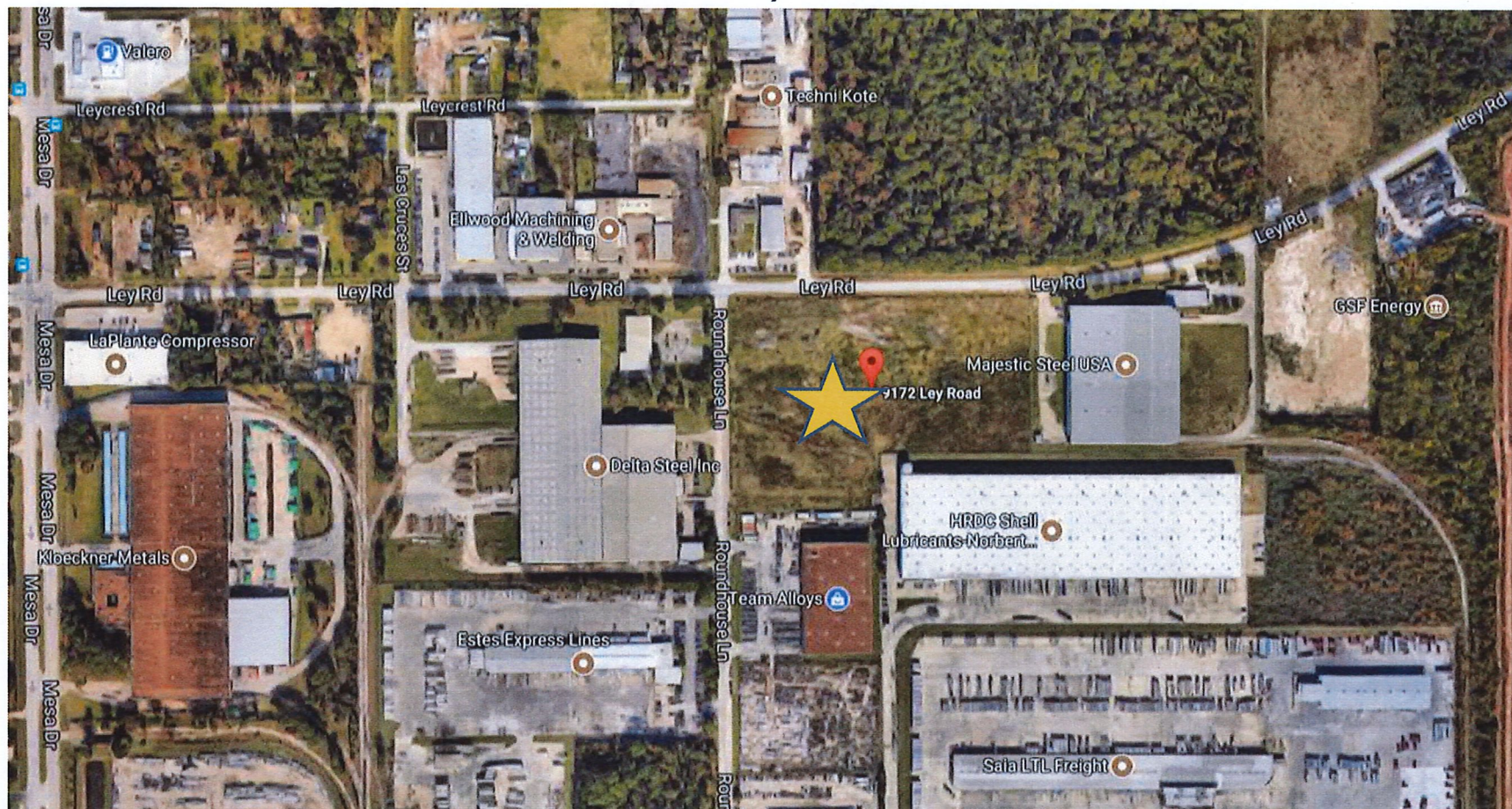
Harry Hayes, Director



Sylvester Turner, Mayor

Proposed Facility Location

9172 Ley Road





Harry Hayes, Director

Operational Challenges Transportation and Logistics



Sylvester Turner, Mayor



- ▶ SWMD has aging fleet resulting in excessive breakdown hours and overtime.
- ▶ First looked at adding more sites for disposal (i.e. transfer stations), thereby reducing the miles traveled, however proved to be cost additive with no change in City's unreliable fleet.
- ▶ Second option looked at ways to add new trucks to the fleet, thereby reducing route size. New trucks would reduce breakdown hours which cause overtime.
- ▶ Requested cost options from top three proposers on ways to address these challenges. Received offers from each to either add a transfer station option, or provide an equipment allocation to enable the quick purchase of eight new collection trucks.





Harry Hayes, Director

Highlights of Recommendation



Sylvester Turner, Mayor

- ▶ The State of the Art \$20 million facility, located in a highly industrialized area, will do the following:
 - ▶ Provide construction job opportunities.
 - ▶ Utilize equipment which will recover a minimum of 95% of recyclable material, with exception of glass, which is 75%.
 - ▶ Have an on-site education center, offer tours, and engage local schools in their “The Future of the Earth Lies in the Classroom” environmental education program.
 - ▶ Employ about 100 full time employees once processing begins in 2018. The company will offer 2nd chance and turnaround opportunities in an economically challenged area.
 - ▶ Add to the City’s tax base.
- ▶ FCC will move their US corporate headquarters from the Woodlands to District B, City of Houston.





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Contract Highlights



Sylvester Turner, Mayor

- ▶ 15-year term with one 5-year renewal option.
- ▶ \$25.00 per ton ceiling which matches City's waste disposal rate.
- ▶ Processing fee of \$87.05 per ton.
- ▶ 25% revenue share once commodities sales price exceeds processing fee.
- ▶ \$75,000 per year education allowance.
- ▶ Eleven commodities, including glass, to be acceptable recycling material.
- ▶ MWBE goal of 11%, FCC exceeds goal with 13%.





Harry Hayes, Director

Questions



Sylvester Turner, Mayor

