

# COUNTY OF ALBEMARLE

## EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> Solid Waste Service Options	<b>AGENDA DATE:</b> July 10, 2013
<b>SUBJECT/PROPOSAL/REQUEST:</b> Consider response to solid waste RFP and provide direction on preferred services	<b>ACTION:</b> X <b>INFORMATION:</b>
<b>STAFF CONTACT(S):</b> Foley, Walker, Davis, Graham, Shadman	<b>CONSENT AGENDA:</b> <b>ACTION:</b> <b>INFORMATION:</b>
<b>PRESENTER(S):</b> Mark Graham	<b>ATTACHMENTS:</b> Yes
<b>LEGAL REVIEW:</b> Yes	<b>REVIEWED BY:</b> 

### BACKGROUND:

At the April 10, 2013 work session, the Board directed staff to advertise a Request for Proposals (RFP) for solid waste services. The purpose of the July 10, 2013 work session is for the Board to consider options for the provision of future solid waste services and to review of the results of the RFP. The RFP was advertised from May 20, 2013 to June 20, 2013 and one acceptable proposal was received. Four site visits were conducted with potential contractors and staff responded to phone calls requesting additional information from a number of potential contractors. Based on those site visits and phone calls, staff anticipated receiving several other proposals. Following up to determine why more proposals were not submitted, staff found there were two reasons cited:

- 1) The RFP includes a requirement to operate the facilities, and the companies had limited or no experience in running convenience centers. The primary business of most companies was hauling and disposal of waste.
- 2) The RFP places the financial risk on the contractor for assuring the tonnage received could make the operation profitable.

The proposal includes an option to operate a convenience center at the Ivy MUC location and an option to operate up to three convenience centers at other County locations.

Despite having only one proposal, staff found this proposal addresses the requested services and appears to provide viable options. At this point, staff requests that the Board review the two options provided by this proposal against the option of continuing with the Rivanna Solid Waste Authority (RSWA) operating the Ivy Materials Utilization Center (Ivy MUC), then provide direction on which option to pursue.

### STRATEGIC PLAN:

2. Provide community facilities that meet existing and future needs

### DISCUSSION:

#### Submitted Proposal

A copy of the Container Rentals, LLC proposal is provided as Attachment A. To summarize, Container Rentals proposes to operate a convenience center at Ivy MUC or at other locations specified by the County with fees equal to those charged by RSWA and without any additional County financial support. As has been previously discussed, the County would still incur cost for (1) the cost of the RSWA ground lease and post-closure expenses if the Ivy MUC site is utilized and (2) the County's oversight management expenses regardless of which option is selected. The proposal includes the requested services except for clean fill, which was an option service. Vegetative waste would be limited to small loads. Large loads and stumps would be required to use other facilities, which are currently available. Staff does not believe this limitation is a significant concern with the understanding a convenience center is not intended to serve commercial users. Typically, large loads of clean fill or vegetative waste that include stumps delivered by commercial users would not be allowed at a convenience center. The option of delivering this material to other locations still remains and could potentially be continued at Ivy if the RSWA found it profitable to offset other expenses of the Authority. Additionally, Container Rentals has offered to provide additional recycling services at no cost to the County provided any permitting issues are addressed by the County. This would include materials such as paint, fluorescent bulbs and electronics. Staff is still consulting with the Virginia Department of Environmental Quality on how these recycling services could be part of a County convenience center, but initial discussions suggest this can be done.

### **Comparison of Options**

Attachment B provides a staff analysis of the three considered options. The first page of the attachment provides an analysis of costs and the second page considers other factors that may influence the decision. To summarize:

- Option 1 is continuing with the RSWA. This option has the highest operating costs, is the easiest for the County to implement, and is the only option that continues services for commercial users. Any capital costs for replacement or upgrading of the facility is assumed to be RSWA's responsibility, but that cost would eventually be recovered through fees or County contributions. Depreciation funds set aside by RSWA over that past number of years may also potentially be used to offset start-up costs. Additionally, a longer term commitment to this arrangement by the County would likely require a major amendment to the RSWA Organizational Agreement to align RSWA funding with Board composition, though this process presents its own challenges. This option appears to be the best choice if the Board wishes to maintain the current level of service and continues to want to explore other long term options.
- Option 2 is the County overseeing a convenience center at the Ivy MUC through a space leased from RSWA and a contract based on the proposal. This option has no anticipated capital costs, though there will be start-up and other costs as outlined in attachment B. Based on the RFP response, this option does cut annual County funding to one-half of Option 1. However, it provides limited services in one location that is marginally convenient to most County residents, as is the case with Option 1. Additionally, it places the County at greater risk for possible environmental liabilities associated with any additional issues discovered at the Ivy MUC. This option appears to be the best choice if the Board believes minimal services are needed, is not prepared for the capital investment required by Option 3, and the potential environmental liability is judged acceptable.
- Option 3 is the County overseeing the operation of three convenience centers on County properties through a contract based on this proposal. The analysis of this option includes three convenience centers because the County's CIP has included three recycling centers since the early 2000's. This option would incorporate those recycling services in addition to other services, replacing a need to continue funding of the RSWA McIntire Recycling facility. This option is the more complex to implement and requires more significant upfront funding to establish the facilities. However, the County's portion of depreciation funds set aside by the RSWA over the past number of years should eventually be available to offset some of this cost, based on a future settlement with the RSWA. Once past the start up phase, this option was found to have the lowest annual operating costs while providing the highest level of services to residential users. This option appears to be the best choice if the Board believes there is a need to improve solid waste services to its residents through multiple locations without significant ongoing funding for operations, believes commercial users have other viable options, and is prepared to make the capital investment necessary for implementation.

Under this option, the Board would need to agree on convenience center locations and fund their construction. While very aggressive, staff believes it may be possible to have one facility in place adjacent the Monticello Fire Station by early 2014. Staff believes this site is a viable option because of its easy access, the availability of existing infrastructure and the site's location on the edge of the development area. Sites located on the edge of development areas are consistent with the Comprehensive Plan and serve both rural residents for solid waste disposal and recycling services and urban areas residents who may have less need for solid waste disposal services, but would want easy access to recycling. Proceeding with this site would allow the County to cease ongoing funding of the RSWA operation at the Ivy MUC. Remaining facilities could then follow as sites are identified by the Board and constructed. Staff has identified other County properties that could potentially serve as additional convenience centers, but none that allow quick development. Additionally, staff realizes the Board may wish to solicit public input before committing to those locations. If the Board is not comfortable with the Mill Creek site as a location for a convenience center that can more quickly be placed in service, we would recommend a six month extension of services with the RSWA (until June 30, 2014) at the current IVY MUC to allow adequate time to go through a site selection and construction process.

### **BUDGET IMPACT:**

Budget impacts are defined on page 1 of Attachment B.

**AGENDA TITLE:** Solid Waste Service Options

July 10, 2013

Page 3

**RECOMMENDATIONS:**

After reviewing the three options, staff believes Option 3 is in the overall best interest of the County. This option provides the lowest annual operating cost once the facilities are in place and enhances the level of service for residents, providing three rather than one convenience center location. In addition, this option avoids the potential liability at the Ivy site and the complications of remaining in a “regional” organization for an exclusively County service.

If Option 3 is selected, staff requests the Board provide direction regarding its desire to (1) begin this new service at Mill Creek next to the Monticello Fire Station or (2) request an extension of service from the RWSA until June 30, 2014 so that a site selection and construction process can be undertaken. Based on that direction, staff will identify funding sources for facility construction and finalize a contract that provides for up to three facilities for future review with the Board.

**ATTACHMENTS**

Attachment A – [Copy of Container Rentals Proposal \(w/o attachments\)](#)

Attachment B - [Comparison of Solid Waste Options \(page 1 – costs, page 2 – other factors\)](#)

[Return to agenda](#)