



REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Earle M. Chesley P.E., General Services Director

DATE: March 7, 2023

SUBJECT: Solid Waste Disposal Site Resolution

Recommendation

In accordance with the City's Request for Proposals (RFP 07-23), the City has conditionally awarded the Solid Waste Disposal Services to Wheelabrator Concord Company, L.P. (Win Waste Innovations). This contract is set to start on July 1, 2024.

This award is conditional. In accordance with RSA 149-M:17, IV, the City Council is required to approve the disposal facility for the municipality.

Additionally, the term of contract is dependent upon the City Council's decision to transition from manual collection to automated collection under the Report relative to RFP 08-23, provided simultaneously to the City Council with this Report.

Accept this report and set for a public hearing as to whether the City should contract with Wheelabrator Concord Company, L.P. (Win Waste Innovations) for Solid Waste Disposal Services effective July 1, 2024 for a term up to ten (10) years.

Background

On June 12, 1985, the City of Concord and 26 other New Hampshire towns and cities formed the Concord Regional Solid Waste/Resource Recovery Cooperative (CRSWRRC). The Cooperative provided for the management of waste generated in the municipal members' respective territories. In forming the CRSWRRC, the municipalities determined that in order to efficiently and properly provide for the management of their waste it would be to their mutual benefit to enter into an agreement to create the CRSWRRC.

Following the formation of the CRSWRRC, on or about December 2, 1985, the CRSWRRC entered into a twenty-year Service Contract with Wheelabrator Concord Company, L.P. ("Wheelabrator") in Penacook to dispose of the member municipalities' solid waste and the disposal of ash residue resulting from the processing and disposal of waste.

On July 5, 2006, the CRSWRRC and Wheelabrator entered into a subsequent Service Contract entitled, Solid Waste Disposal Agreement. The purpose of the 2006 Solid Waste Disposal Agreement was to contract for the processing and disposal of waste at the Wheelabrator Facility.

On December 10, 2012, in accordance with the 2006 Solid Waste Disposal Agreement between the CRSWRRC and Wheelabrator, the CRSWRRC exercised its option to terminate the Agreement as of

December 31, 2014 because the CRSWRRRC determined that the Agreement is not competitive with other disposal options.

On June 26, 2013, the City advised the CRSWRRRC that it would not be disposing of its solid waste as a member of the Cooperative following the termination of the Wheelabrator contract on December 31, 2014.

On August 27, 2013, after conducting a Request for Proposals through the City's Purchasing Division, the City entered into a multi-year agreement with Casella Waste Management of Massachusetts, Inc., for the collection and disposal of the City's solid waste including recycling services.

The effective dates for Solid Waste Collection Services, Transfer Station Services and Solid Waste Disposal Services as set forth in the agreement with Casella are as follows:

- (1) Solid Waste Collection Services: July 1, 2014 – June 30, 2024
- (2) Transfer Station Services: July 2, 2015 – June 30, 2024
- (3) Solid Waste Disposal Services: January 1, 2015 – June 30, 2024

Most recently, in anticipation of the coming solid waste contract end dates, the General Services Department and the City's Purchasing Division began preparations for issuing competitive Requests for Proposals for solid waste disposal and collection services in the fall of 2022. The Department determined that soliciting separate disposal and collections RFPs would attract more and different proposers than only those perspective contractors who can provide both disposal and collections services. The timelines for issuing such RFPs were dictated by the present supply chain challenges that may affect proposer's ability to capitalize with new equipment in advance of a new contract start date of July 1, 2024.

On September 12, 2022 the City issued RFP 07-23 for solid waste disposal services which was then followed by the issuance of RFP 08-23 on October 3, 2022 for solid waste collection services with the potential disposal locations identified in RFP 07-23 included as possible destinations to which collection proposers would respond to. The award of the separate contracts would be to whatever combination of disposal and collection service proposals were found to be the lowest cost and combination in the City's best interest.

The City received three responsive vendor proposals for solid waste disposal. VENDOR A proposed to receive waste at a locally sited transfer station and arrange for its disposal at a licensed solid waste landfill; Win-Waste Innovations (Win-Waste, formerly Wheelabrator) proposed to receive waste at their Waste to Energy facility in Concord, NH and VENDOR B proposed to receive waste at their landfill. All initial proposals were for a five-year period beginning July 1, 2024 and included annual cost increases and adjustments based on various indices. These are summarized in Table 1.

Remember, the City intended to award the disposal contract to the facility which resulted in the lowest costs and in the best interest of the City when also considering the costs of collection identified in the collections RFP process as well. So, while VENDOR B's per ton proposed disposal cost was lower, the combined costs of collection and disposal resulted in Win-Waste's per ton disposal rate as being the most advantageous to the City.

Table 1.			
Disposal Base Costs			
	VENDOR A	Win-Waste	VENDOR B
Year 1	\$110.00	\$95.00	\$84.00
Year 2	\$115.50	\$99.75	\$89.00
Year 3	\$121.28	\$104.74	\$94.00
Year 4	\$127.34	\$109.97	\$99.00
Year 5	\$133.71	\$115.47	\$104.00
Prices do not include fees or collection or transportation related costs.			

Solid waste disposal costs in New Hampshire have increased significantly since the current contract was signed in 2013. Both the tip fees and associated annual increases have gone up dramatically. Recall, the FY 23 solid waste pro-forma estimated a disposal fee of \$95.00/ton in FY 25. For reference, the city's FY24 disposal fee will be \$70.51/ton.

After receipt of the proposals and during subsequent negotiations, Win-Waste agreed to extend the term of their proposal from five years, to either a seven-year, or a ten-year term. These are shown on Table 2. Similar to the five-year proposal, the seven-year term and the ten-year term include annual cost increases and adjustments based on various indices. The initial year tipping fees for the two longer terms, seven- and ten-years, are lower than the five-year term.

Table 2.			
Disposal Base Costs			
Win-Waste			
	5-Year	7-Year	10-Year
Year 1	\$95.00	\$90.00	\$90.00
Year 2	\$99.75	\$95.40	\$95.40
Year 3	\$104.74	\$101.12	\$101.12
Year 4	\$109.97	\$107.19	\$107.19
Year 5	\$115.47	\$113.62	\$113.62
Year 6		\$120.44	\$120.44
Year 7		\$127.67	\$127.67
Year 8			\$135.33
Year 9			\$143.45
Year 10			\$152.05
Prices do not include fees or collection or transportation related costs.			

Discussion

Given the City's intention for the disposal and collections contracts to be awarded to the combination of proposals that results in the lowest costs and is in the best interest of the City, the most attractive disposal option is the Win-Waste proposal with either a five (5), seven (7) or ten (10) year term.

Accordingly, we recommend that the City Council authorize the selection of Wheelabrator Concord Company, L.P. (Win Waste Innovations) as the City's solid waste disposal facility for a ten (10) year term.

In addition to the financial benefits of using Win-Waste as the City's primary disposal site, 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 (<https://www.des.nh.gov/waste/solid-waste/waste-reduction-and-diversion>).

The Department recommends approving the attached resolution in accordance with RSA 149-M:17, IV.

CC: Tina Waterman, Purchasing Manager