

City of San Antonio



AGENDA

City Council B Session

Council Briefing Room
100 Military Plaza
San Antonio, Texas 78205

Wednesday, March 20, 2024

2:00 PM

City Hall Complex

The City Council will hold its meeting at the above referenced date and time for the following items. Once convened, the City Council will take up the following items in any order during the meeting but no sooner than the designated times.

Once a quorum is established, the City Council shall consider the following

1. Briefing on Solid Waste Management Department's contract for landfill disposal services.
[David W. McCary, Assistant City Manager; David Newman, Director, Solid Waste Management Department]

5:00 P.M. – If the Council has not yet adjourned, the presiding officer shall entertain a motion to continue the council meeting, postpone the remaining items to the next council meeting date, or recess and reconvene the meeting at a specified time on the following day.

ACCESS STATEMENT

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help to ensure availability.

Intérpretes en español estarán disponibles durante la junta del consejo de la ciudad para los asistentes que lo requieran. También se proveerán intérpretes para los ciudadanos que deseen exponer su punto de vista al consejo de la ciudad. Para más información, llame al (210) 207-7253.

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Printed on: 03/20/2024 02:39 PM



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 1

Agenda Date: March 20, 2024

In Control: City Council B Session

DEPARTMENT: Solid Waste Department

DEPARTMENT HEAD: David Newman

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Post-Solicitation High Profile Briefing for Municipal Solid Waste Disposal Services

SUMMARY:

The Solid Waste Management Department solicited proposals for contractors to provide landfill disposal services for municipal solid waste collected by the City. The Department estimates to landfill 436,333 tons in FY2025. The contract value is estimated at \$132.7M over a 10-year term based on current tonnage and pricing, with two, five-year renewal options.

BACKGROUND INFORMATION:

On February 8, 2023, the Solid Waste Management Department (SWMD) presented a pre-solicitation briefing for an upcoming Request For Proposal (RFP) for landfill disposal contract services. The RFP was released on February 24, 2023. Responses to the RFP were originally due on May 8, 2023, but that date was extended to May 12, 2023. Four responses were received, and they were all deemed responsive.

The evaluation committee members were:

- David W. McCary, Assistant City Manager

- David Newman, Director, Solid Waste Management
- Josephine Valencia, Deputy Director, Solid Waste Management
- Melanie Keaton, Assistant Finance Director
- KaRhonda Crummie, Contract Manager, Solid Waste Management
- Simon Castillo, Business & Economic Development, CPS Energy

The evaluation panel met on July 6, 2023, to review the responses and complete scoring. Three of the proposals were from traditional landfill vendors and one was from a Waste-To-Energy (WTE) vendor who proposed constructing a new processing facility. On the advice of the Finance Department, the WTE proposal was scored separately. The evaluation panel scored the three landfill proposals. The panel recommends entering into contracts with all three landfill vendors.

The WTE company was invited to an interview on July 27, 2024. Since there was only one proposal, it was evaluated on a consensus basis. The panel recommends not engaging in a contract with the WTE vendor.

ISSUE:

This item is for briefing purposes only.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only, with no fiscal impact.

RECOMMENDATION:

Staff requests approval to proceed with scheduling three contracts for City Council consideration to provide landfill disposal services at the next available Council date. Based on current landfill tonnages, and without forecasting potential CPI increases or contract extensions, we estimate the contract value over ten years would be \$132.7M.

Post-Solicitation Briefing for Municipal Solid Waste Disposal



City Council B Session

March 20, 2024

**Presented by: Josephine Valencia, Deputy Director
Solid Waste Management Department**

Current Contracts - Disposal



Two Traditional Landfill Contracts

- ◆ **Republic Services (BFI) - \$28.48 per ton**
 - Guaranteed minimum 50,000 tons annually
 - Contract executed 1995, expires September 2024
 - One remaining 1-year renewal option

- ◆ **Waste Management - \$25.59 per ton**
 - Guaranteed minimum 50,000 tons annually
 - Contract executed 1995, expires September 2025
 - No renewal options remaining

Current Contract - Transfer Station

- ◆ City owned transfer station, operated by Texas Disposal System
- ◆ Guaranteed minimum 100,000 tons annually
- ◆ \$37.65 per ton - combines transportation and disposal costs
- ◆ Expiration:
 - Facility: Contract executed 1998, expires Sept 2025, no renewal options
 - Disposal: Contract executed 1993, expires Sept 2025, potential 5, 1-year renewals to Sept 2030

Project Overview

- ◆ High profile contract for MSW (landfill) disposal services
- ◆ Pre-Solicitation B Session on Feb. 9, 2023
- ◆ Hired consulting firm R4 Strategies to assist with RFP development and evaluations of proposals
- ◆ 436,333 tons of waste collected annually
- ◆ Operational need to award multiple contracts
- ◆ Pricing based per ton
- ◆ On demand contract – no guaranteed tonnage
- ◆ Contract to begin Oct. 1, 2025

Solicitation Overview

Solicitation: Request For Proposals (RFP)

Funding: Solid Waste Fund

Term: 10 years plus two 5-year renewals

Base Term: \$13.3M Annual, \$133M over ten years

Due Diligence

Finance and Auditor Departments – Due Diligence Results

Number of vendors notified:

247

Number of vendors at pre-submittal conference:

3

Number of responses received:

7

Results of Minimum Requirements Review

2 firms submitted a “no bid”; 1 firm deemed non-responsive for submitting incomplete proposal

Results of Due Diligence Review

No Material Findings

Proposals Reviewed

◆ 3 Traditional Landfills

- BFI
- Waste Management
- Waste Connections

◆ 1 Alternative: RePower South

- Proposed new facility to be built; location not final
- Mixture of waste-to-energy, material recovery, & landfill
- Proposal requested all the City's garbage tons or an increase in the quoted price



Final Recommendation - Landfill

FINAL SCORE MATRIX

RFP for Municipal Solid Waste Disposal Services (RFP 23-069, RFx 6100016481) Score Summary *FINAL EVALUATION July 6, 2023	Maximum Points	Waste Management of Texas, Inc. 8611 Covell Road San Antonio, TX 78252	BFI Waste Systems of North America, LLC. dba Tessman Road Landfill 7000 IH 10 San Antonio, TX 78219	Waste Connections – Post Oak Clean Green 7787 FM 1150 Luling, TX 78155
A - Experience, Background, Qualifications	35	33.00	31.00	29.00
B - Proposed Plan	30	22.00	23.00	18.00
A - B Sub-Total	65	55.00	54.00	47.00
C - Price	20	12.50	10.29	20.00
D - Local Preference Program	10	5.00	5.00	0.00
E - Veteran-Owned Small Business Preference Program	5	0.00	0.00	0.00
TOTAL SCORE	100	72.50	69.29	67.00
RANK BASED ON TOTAL SCORE		1	2	3

*One evaluation meeting held with no interviews conducted.

SBEDA Program - Waived

Consensus Scoring - Alternative

The evaluation committee met on July 27, 2023, and by consensus, does not recommend awarding a contract to the sole respondent, RePower South, LLC, for the alternative solution proposed.

Agreed Upon Contract Pricing Per Ton

Waste Management – San Antonio

1 to 200,000 tons	\$ 27.99
200,001 to 300,000 tons	\$ 25.49
300,001+ tons	\$ 23.21

BFI – San Antonio

1 to 150,000 tons	\$ 34.00
150,001 – 250,000	\$ 31.00
250,001+ tons	\$ 29.50

Waste Connections - Luling

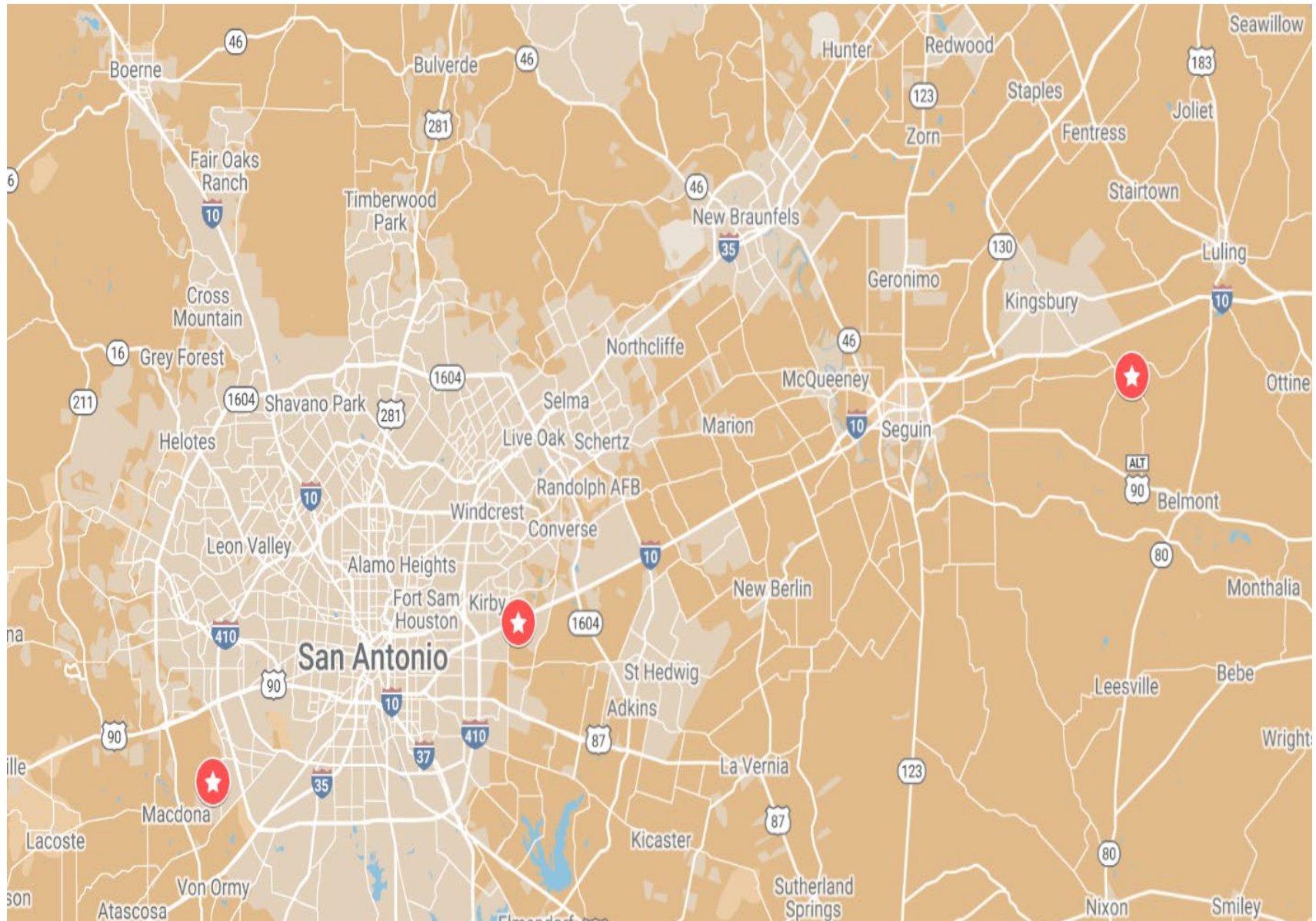
All tons	\$ 17.50
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Contract Comparisons

Vendor	FY2024 Rate Per Ton	New Contract Rate Beginning FY2026
Waste Management	\$25.59	\$27.99
BFI	\$28.48	\$34.00
Texas Disposal System	\$37.65	N/A
Average	\$30.57	\$31.00
Waste Connections	N/A	\$17.50

- Contracts increase annually based on CPI
- Waste Connections will require transportation expenses, to be determined
- Proposed new contracts are consistent with last year's forecast

Landfill Locations



Recommendation

Staff recommends approval to proceed with scheduling three contracts for City Council approval at the next available Council date.





Thank You

Presented by: Josephine Valencia, Deputy Director
Solid Waste Management Department