



Summary of Proposals and Evaluation for Disposal and Other Material Handling Services



February 25, 2019
(Amended May 15, 2019)
Prepared by HF&H with
support from SCS Engineers
and HDR, Inc.



Outline

- Background
- RFP process
- Phase 1 disposal services
- Phase 2 land leasing and other material handling services
- Recommendation
- Selection committee input
- Next steps



Disposal Stats

221,000 tons/year

10,045 loads/year

40 trips/day

12 transfer fleet

Background

- SBWMA using Republic's Ox Mountain Landfill for over 40 years
- Current contract provisions
 - 15-year term; expires Dec 31, 2019
 - Per-ton rate adjusted annually by CPI
 - “Most favored customer” clause to match any lower rate offer to other governmental entity

RFP Process

- Mar-Aug Assembled team; planned process; prepared RFP
- Sep 25 Received Phase 1 proposals
- Sep/Oct Evaluation/proposer meetings/clarifications
- Oct 22 Evaluation committee meeting
- Nov 21 Received Phase 2 proposals
- Dec-Feb Evaluation/proposer meetings/clarifications



Evaluation Team

HF&H Consultants, LLC

- Proposer Qualifications Review
- Cost Analysis (Phase 1)

SCS Engineers

- Technical Review of Disposal Services
- Permits and Regulatory Compliance Review

HDR, Inc.

- Technical Review of Other Services (Phase 2)
- Cost Analysis (Phase 2)

ADCL

- Past performance record



PHASE 1 DISPOSAL SERVICES

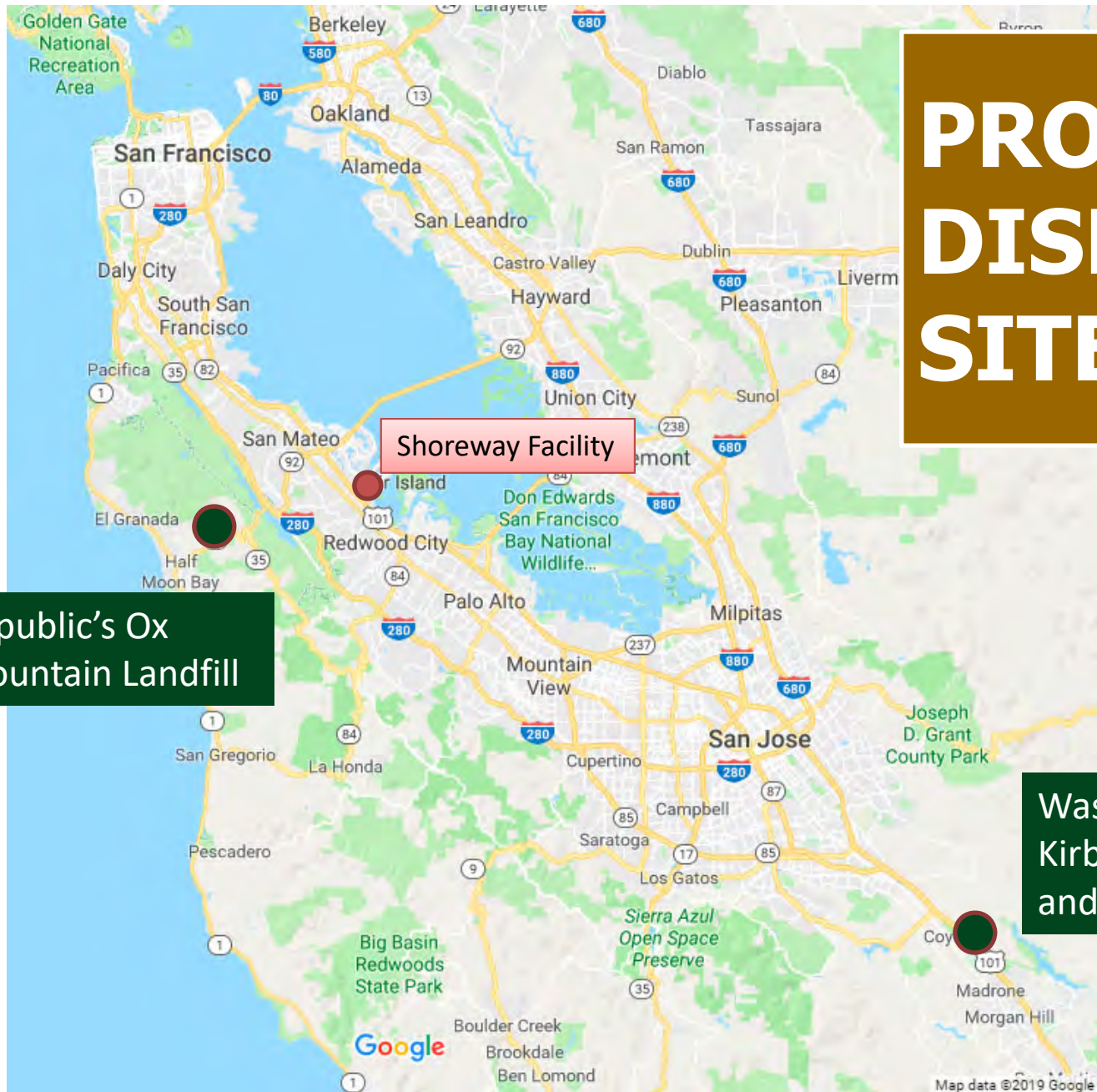


PROPOSED DISPOSAL SITES

Shoreway Facility

Republic's Ox
Mountain Landfill

Waste Management's
Kirby Canyon Recycling
and Disposal Facility



Proposed Disposal Services

Parent Company	Republic	Waste Management
Proposing Entity	Ox Mountain Landfill	Kirby Canyon Recycling & Disposal Facility
Location/ Distance*	<ul style="list-style-type: none"> • Half Moon Bay • 15.1 miles • 300,000 estimated transfer vehicle miles/yr 	<ul style="list-style-type: none"> • San Jose • 42.2 miles • 850,000 estimated transfer vehicle miles/yr
Type	<ul style="list-style-type: none"> • Class III 	<ul style="list-style-type: none"> • Class III
Other Contracted Jurisdictions	<ul style="list-style-type: none"> • Daly City, Colma, Half Moon Bay, and Pescadero transfer station 	<ul style="list-style-type: none"> • Sunnyvale, Palo Alto, Mountain View, Milpitas
Tipplers	<ul style="list-style-type: none"> • 1 tipper operating, 1 available as backup; will purchase new tipper 	<ul style="list-style-type: none"> • Currently, no landfill tipper; will purchase if awarded Agreement

* Distances are one-way distances from Shoreway Environmental Center to the disposal site per Google maps.



Additional Disposal Site Information

Parent Company	Republic Ox Mountain Landfill	Waste Management Kirby Canyon Recycling and Disposal Facility
Hours	<ul style="list-style-type: none"> • 4:00 am to 4:30 pm Mon-Sat, closed Sun • Holidays: Christmas and New Year's 	<ul style="list-style-type: none"> • 12:00 am to 5:00 pm Mon-Sat, closed Sun • May receive on Sundays following a major holiday or special occurrence that occurs on a normal working day • Holidays: Include Thanksgiving (in addition to Christmas and New Years identified in the Agreement); although, exception not noted in Agreement
Vehicle turnaround	<ul style="list-style-type: none"> • 35 minute average • 45 minute maximum 	<ul style="list-style-type: none"> • 15 minute average • 30 minute maximum
Environmental Features	<ul style="list-style-type: none"> • LFG-to-energy on-site since 2009, powers approximately 11,900 homes 	<ul style="list-style-type: none"> • Proposed LFG to CNG fuel and RNG to PG&E pipeline



Other Proposer Information

Parent Company	Republic Ox Mountain Landfill	Waste Management Kirby Canyon Recycling and Disposal Facility
Labor	<ul style="list-style-type: none"> International Brotherhood of Teamsters local 350 and International Union of Operating Engineers Local 3 	<ul style="list-style-type: none"> Operating Engineers Local Union 3; agreement expires 2/28/21; may go year to year thereafter unless terminated or amended by parties
Insurance Experience Modifier Rate	<ul style="list-style-type: none"> Reported the following: 0.92 for 7/1/18 – 6/30/19 	<ul style="list-style-type: none"> Reported the following: 0.79 for 1/1/18 – 12/31/19 Varied 0.69 – 0.82 over past 6 years



Evaluation of Disposal Options

	Republic	Waste Management
Proposing Entity	Ox Mountain Landfill	Kirby Canyon Recycling & Disposal Facility
Qualifications (HF&H)	<ul style="list-style-type: none"> • Large, national, publically-traded company • Extensive experience • Operated Ox Mountain for over 40 years 	<ul style="list-style-type: none"> • Large, national, publically-traded company • Extensive experience • Operated Kirby for over 30 years
Technical review (SCS)	<ul style="list-style-type: none"> • Sufficient capacity and demonstration of closure/post-closure financial assurances • No notable concerns 	<ul style="list-style-type: none"> • Same
Permits and Regulatory Compliance Review (SCS)	<ul style="list-style-type: none"> • Permits allow for proposed disposal services; modification needed for optional services (extended operating hours and possibly land leasing) • No evidence of significant violations or unusual or repeated issues of non-compliance, with the except of the groundwater corrective action plan 	<ul style="list-style-type: none"> • Permits allow for proposed disposal services • Permit modification for land leasing • No evidence of significant violations or unusual or repeated issues of non-compliance
Past performance record (ADCL)	<ul style="list-style-type: none"> • No grounds for disqualifications from a legal perspectives based on review of litigation, regulatory actions, fines, penalties, settlements, and damages 	<ul style="list-style-type: none"> • Same
Costs (HF&H)	<ul style="list-style-type: none"> • Presented on the following slides 	<ul style="list-style-type: none"> • Same

Technical and Regulatory Review

Criteria	Republic Services Ox Mountain Landfill	Waste Management Kirby Canyon Landfill
Remaining Capacity / Site Life	Remaining landfill capacity is adequate to accommodate SBWMA's long-term disposal needs through the contract term without permit modification.	Remaining landfill capacity appears to be adequate to accommodate SBWMA's long-term disposal needs through the contract term without permit modification. Remaining capacity and site life data reported in the proposal are inconsistent with information in public records. Clarification from proposer is warranted.
Closure/Post-Closure Financial Assurance	The proposer has provided sufficient demonstration of financial assurances (surety bonds).	The proposer has provided sufficient demonstration of financial assurances (surety bonds). There is a minor inconsistency in the back up documentation provided and clarification from the proposer is warranted.
Solid Waste Facility Permit Terms	SBWMA's day-to-day disposal needs can be met without permit modification.	SBWMA's day-to-day disposal needs can be met without permit modification. The permit allows receipt of wastewater treatment biosolids meeting specified liquids content requirements.

Technical and Regulatory Review (cont.)

Criteria	Republic Services Ox Mountain Landfill	Waste Management Kirby Canyon Landfill
Regulatory Compliance	<p>Our review showed no significant or repeated violations or non-compliance history with storm water, air quality and public health and safety requirements for landfill operations.</p> <p>A corrective action program is in place for remediation of a landfill-related release(s) to groundwater.</p> <p>We recommend that contractual safeguards be confirmed (or put in place) to provide the SBWMA with protection from any ongoing or future liability for groundwater clean-up or other environmental releases.</p>	<p>Our review showed no significant or repeated violations or non-compliance history with regulatory requirements and permit conditions for water quality, storm water, air quality and public safety.</p>



Proposed Rates plus Estimated Transport Cost

	A	B	C	D	E	F
	Per-Ton Costs (a)					
	Disposal Contractor Component	Disposal Government Fees	Disposal Rate	SBWMA Transport Estimate	Total	% Increase over Current
Republic/Ox Mt LF (current agreement) (b)	\$31.50	\$11.23	\$42.73	\$16.56	\$59.29	---
1 Republic/Ox Mt LF (7/10-yr term)	\$41.34	\$11.23	\$52.57	\$17.10	\$69.67	18%
2 WM/Kirby Canyon LF (7/10-yr term)	\$23.40	\$29.74	\$53.14	\$28.16	\$81.30	37%
3 WM/Kirby Canyon LF (7-yr term) (b) Split Tons (c)	\$25.10	\$29.74	\$54.84	\$28.16	\$83.00	40%
4 WM/Kirby Canyon LF (10-yr term) (b) Split Tons (c)	\$24.95	\$29.74	\$54.69	\$28.16	\$82.85	40%

(a) All disposal rates include the San Mateo County AB 939 fee. Costs are shown in 2020 dollars except for current costs (first row), which are 2019 dollars.

(b) Republic's current agreement for Ox Mountain runs through 12/31/2019. Disposal rate and transport cost shown is the 2019 amount.

(c) WM/Kirby Canyon split tons options reflect SBWMA's consideration of splitting tonnage between two landfill sites and guaranteed delivery of 45% of the total SBWMA tonnage to each. Republic did not provide a rate for this option.



Proposed Rates plus Estimated Transport Cost

	A	B	C	D	E	F
	Per-Ton Cost (a)					
	Contractor Component	Government Fees	Disposal Rate	SBWMA Transport Estimate	Total	% Increase over Current
Republic/Ox Mt LF (current agreement) (b)	\$31.50	\$11.23	\$42.73	\$16.56	\$59.29	---
1 Republic/Ox Mt LF (7/10-yr term)	\$41.34	\$11.23	\$52.57	\$17.10	\$69.67	18%
2 WM/Kirby Canyon LF (7/10-yr term); No County Fee	\$23.40	\$19.85	\$43.25	\$28.16	\$71.41	20%
4 WM/Kirby Canyon LF (7-yr term); Split Tons, No County Fee	\$25.10	\$19.85	\$44.95	\$28.16	\$73.11	23%
5 WM/Kirby Canyon LF (10-yr term); Split Tons, No County Fee	\$24.95	\$19.85	\$44.80	\$28.16	\$72.96	23%
6 WM/Kirby Canyon LF (7/10-yr term)	\$23.40	\$29.74	\$53.14	\$28.16	\$81.30	37%
7 WM/Kirby Canyon LF (7-yr term) Split Tons (c)	\$25.10	\$29.74	\$54.84	\$28.16	\$83.00	40%
8 WM/Kirby Canyon LF (10-yr term) Split Tons (c)	\$24.95	\$29.74	\$54.69	\$28.16	\$82.85	40%

(a) All disposal rates include the San Mateo County AB 939 fee of \$9.83 per ton unless otherwise noted. Costs are shown in 2020 dollars except for current costs (first row) which are 2019 dollars.

(b) Republic's current agreement for Ox Mountain runs through 12/31/2019. Disposal rate and transport cost shown is the 2019 amount.

(c) WM/Kirby Canyon split tons options reflect SBWMA's consideration of splitting tonnage between two landfill sites and guaranteed delivery of 45% of the total SBWMA tonnage to each. Republic did not provide a rate for this option.



Estimated Rate Impact

	A	B	C	D	E		F
	Total Disposal and Transport Cost (\$/ton) (a)	Estimated Disposal and Transport Cost (\$/yr) (a)	Incremental Increase over Current (\$/yr)	Impact on SBWMA Revenue Requirement (c)(d)	Approximate Impact on 32-Gallon Single-Family Customer (\$/month) (d)		
					Low End	High End	
	Republic/Ox Mt LF (current agreement) (b)	\$59.29	\$13,100,000	---	---	---	---
1	Republic/Ox Mt LF (7/10-yr term)	\$69.67	\$15,400,000	\$2,300,000	2.1%	\$0.50	\$1.00
2	WM/Kirby Canyon LF (7/10-yr term)	\$81.30	\$18,000,000	\$4,900,000	4.5%	\$1.00	\$2.20

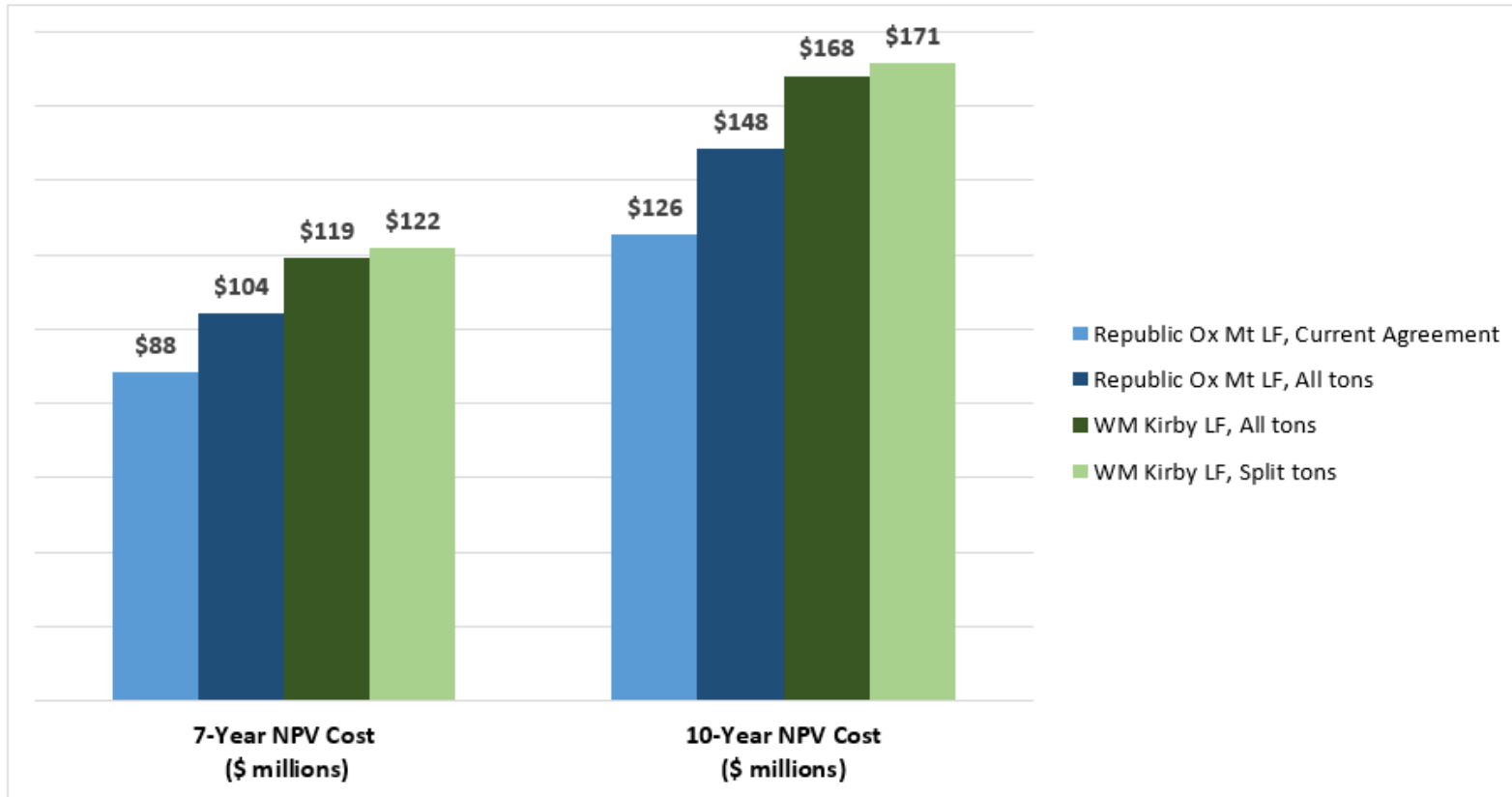
(a) All disposal rates include the San Mateo County AB 939 fee. Costs are shown in 2020 dollars except for current costs (first row) which are 2019 dollars. Annual cost estimate is based on disposal of 221,000 tons per year.

(b) Republic's current agreement for Ox Mountain runs through 12/31/2019. Disposal rate and transport cost shown is the 2019 amount.

(c) The percentage impact on SBWMA-wide revenue requirement is based on an annual revenue requirement of \$110,000,000, which includes SBWMA and Member Agency fees. Note that Member Agency fees have not been added to the disposal and transport cost increase so that actual percentage impact may be greater.

(d) Actual impacts will vary by Member Agency depending on their rate setting policies, Member Agency fees, changes (if any) in the Ox Mountain landfill government fees, and other rate adjustment variables.

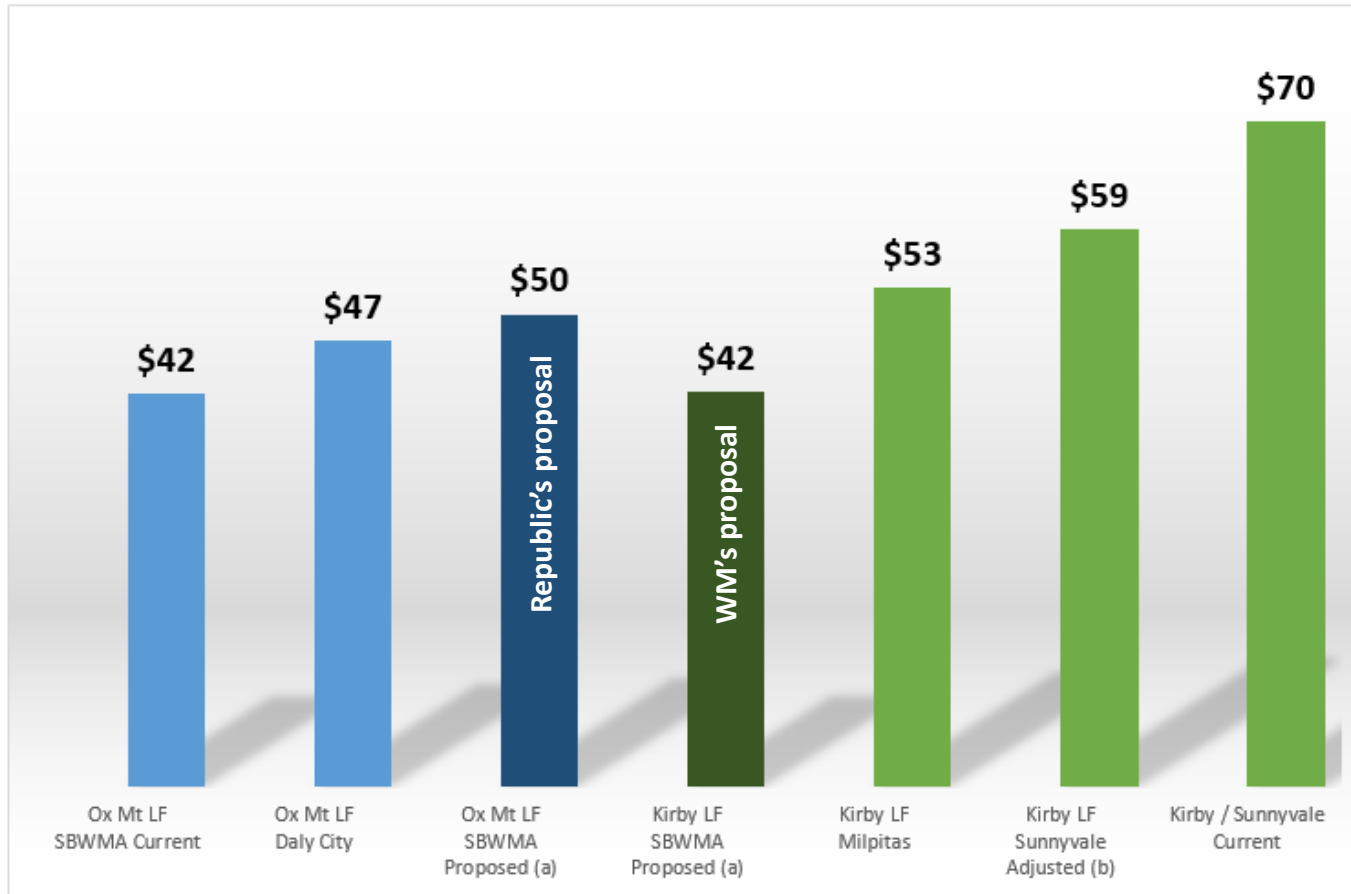
NPV of Estimated Contract Cost: Disposal + Transport over Term (\$ millions)



- (a) All projections include the San Mateo County AB 939 fee. Projections are over 7 or 10 years based on 221,000 tons per year.
- (b) Republic's current agreement for Ox Mountain runs through 12/31/2019. Disposal rate and transport cost shown is the 2019 amount.
- (c) WM/Kirby Canyon split tons options reflect SBWMA's consideration of splitting tonnage between two landfill sites and guaranteed delivery of 45% of the total SBWMA tonnage to each. Republic did not provide a rate for this option.



Rate Benchmarking (\$/ton)



(a) Proposed rates were in 2020 dollars and have been adjusted to 2018 dollars for purposes of comparison to other rates. WM/Kirby excludes the San Mateo County AB 939 fee.

(b) The adjusted Sunnyvale rate reflects the contracted rate reduction in 2022; although it is presented in 2018 dollars for the purposes of comparison. A \$7 disposal fee premium will be eliminated and the base component will be reduced 10%.



Key Contract Exceptions

	Republic	Waste Management
Term (10 yrs + 6 yrs extensions)	2 years sole discretion; add'l years mutual extension	Prefers mutual agreement, but willing to ask corporate for unilateral
SBWMA right to implement future diversion programs	Agrees provided delivery of all solid waste from transfer station and residue from future third party processing programs	Agrees but wants to discuss adjusted pricing for different volumes
Carbon Offset Credit	Agreed with carve out for landfill gas to energy third party contract	Rejected provision
Rate Adjustment	3.35% floor and 5% cap, Bay Area All-Urban CPI	CPI, or 3% floor and 5% cap with National Water, Sewer, Trash Index
Emergency service compensation	Disposal rates for landfilled materials; direct costs plus 23% mark-up for non-disposal services	Disposal rates for landfilled materials; and direct costs for non-disposal services
Most Favored Customer	Limit to jurisdiction with similar term (2yrs +/-) and similar volumes (10%+/-)	Agreed with limit to match price as long as other jurisdiction has lower price
Vehicle Turnaround	Average 35 minute turnaround; 45 minutes max; consider chronic inclement weather	30 minutes maximum
Liquidated Damages	Assess within 10 days of learning of event(s) of non-performance; agree to meet and confer	Assess within 60 days of event

Disposal Proposal Summary

- Two qualified proposers
- Two viable landfill options with sufficient capacity and good track records
- Lowest cost impact with Republic when accounting for transport and County AB 939 fees
- Contract terms slightly more advantageous with Waste Management
- Fewer traffic and air emissions impact with Republic's landfill

PHASE 2 PROPOSALS

Land
leasing

Other material
handling
services



Land Leasing Option

Parent Company	Republic	Waste Management
Land Leasing	<ul style="list-style-type: none"> • SBWMA may utilize 80,000 SF (1.8 acre) at Ox Mountain Landfill • Lease cost: \$0/year • Site improvements and costs <ul style="list-style-type: none"> • Required: Grading and all weather resurfacing (estimated \$145,000); JTD Amendment (estimated \$65,000) • Optional – Fencing (estimated \$20,000); 1 or 2 portable light plants for safety and visibility • Transfer station contractor to employ BMPs for equipment maintenance and monitoring of runoff quality so runoff discharge into landfill sediment basin is not adversely impacted 	<ul style="list-style-type: none"> • SBWMA may utilize up to 1 acre of the existing Kirby Canyon Landfill; guaranteed space for 1 year, but could be extended if planned uses delayed • Alternative location is 0.75 acres • Lease cost: \$1/year • Site improvements and costs <ul style="list-style-type: none"> • Required – None for either site • Optional – Fencing and gates (cost TBD) • SBMWA vehicles shall be maintained and operations conducted such that the landfill’s storm water discharge is not negatively impacted • Additional BMPs may be necessary

Material Handling Services - Republic

Material	Facility	Cost/ton	Activity
Clean Dirt	Ox Mt LF	\$24.75	Beneficial reuse on site, 100% diversion
Large Aggregate	Ox Mt LF	\$33.75	Crushed and screened. Beneficial reuse on site, 100% diversion. Contamination limit < 3%.
Mixed Dirt	Ox Mt LF	\$37.75	Screened. Beneficial reuse on site, 100% diversion. Contamination limit < 3%.
Base Rock Aggregates	Ox Mt LF	\$24.75	Beneficial reuse on site, 100% diversion. Contamination limit < 3%.
Wood Waste/ Clean Green	Ox Mt LF	\$49.75	Chipped and screened; Beneficial reuse on site (erosion control), 100% diversion.
Mixed C&D (ADC)	Ox Mt LF	\$69.75	Sorted, ground and screened. Used for ADC, estimated 50% diversion. Pending LEA Approval.
Mixed C&D	Newby Island	\$75.00	Processed at C&D line. 75% diversion guaranteed. Contamination limit of 25%.
Organics	Newby Island	TBD	Open to renegotiating contract (currently \$65/ton).
Biosolids	Ox Mt LF	\$58.75	Disposal, 0% diversion.

Material Handling Services - WM

Material	Facility	Cost/ton	Activity
Clean Dirt	Kirby	\$21	Beneficial reuse on site, 100% diversion. Needs waste profile or cert.
Large Aggregate	Kirby LF	\$7	Beneficial reuse on site, 100% diversion. Contamination limit 0%.
Mixed Dirt	Kirby LF	\$21	Beneficial reuse on site, 100% diversion. Contamination limit 0%. Needs waste profile.
Base Rock	Kirby LF	\$7	Beneficial reuse on site, 100% diversion. Contamination limit 0%.
Mixed C&D	Guadalupe Landfill	\$80	Recent facility average diversion of 81% (varies), includes ADC. Contamination limit of 50%.
Wood / Clean Green	Guadalupe Landfill	\$35	Grind. Use for daily cover (0% diversion) or erosion control (100% diversion). Contamination limit of < 1%.
Wood Waste, dimensional	TCRRF	\$0	Used for mulch, 100% diversion. Only clean, kiln-dried white wood. Contamination limit of < 1%.
Clean Green Waste	Guadalupe Landfill	\$55/ton	Sent to compost at Keith Day Company, 100% diversion. Contamination limit of < 5%, or extra fee.
Res. Organics	Kirby LF	\$35/ton + \$531/load	Send to compost at Agromin, 100% diversion
Comm. Organics	DSTS OMRF	\$180 - \$200	Future facility expected online in 2020. WM can offer uncommitted capacity in 3 rd Quarter 2019.
Biosolids	Kirby LF	\$44.50	Disposal, 0% diversion. Must have waste profile.

February 25, 2019 (Amended May 15, 2019)

Material Handling Services – Side-by-Side Costs

	Material	Republic		Waste Management	
		Facility	Total \$/ton	Facility	Total \$/ton
1	Clean Dirt	Ox Mt	\$40.27	Kirby LF	\$46.67
2	Large Aggregate	Ox Mt	\$49.27	Kirby LF	\$32.67
3	Mixed Dirt	Ox Mt	\$53.27	Kirby LF	\$46.67
4	Base Rock Aggregates	Ox Mt	\$40.27	Kirby LF	\$32.67
5	Mixed C&D	Newby	\$97.52	Guadalupe LF	\$104.43
6	Mixed C&D (ADC)	Ox Mt	\$85.27	N/A	N/A
7	Wood waste	Ox Mt	\$65.27	Guadalupe	\$60.67
8	Wood waste, dimensional (alt)	N/A	N/A	Tri-Cities	N/A
9	Clean green waste/brush	Ox Mt	\$65.27	Guadalupe LF	N/A
10	Residential organics	Newby	TBD	Kirby LF	\$60.67/ton + \$531/load
11	Commercial organics	Newby	TBD	Davis St OMRF	\$180 - \$200
12	Biosolids	Ox Mt	\$74.27	Kirby LF	\$70.17

Note: Total \$/ton included proposed gate fees plus estimated cost to transport materials to the facilities.

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Material Handling Services - Summary

Material	Republic				Waste Management			
	Facility	Tipping \$/ton	Hauling \$/ton	Total \$/ton	Facility	Tipping \$/ton	Hauling \$/ton	Total \$/ton
Clean Dirt	Ox Mt	\$24.75	\$15.52	\$40.27	Kirby LF	\$21.00	\$25.67	\$46.67
Large Aggregate	Ox Mt	\$33.75	\$15.52	\$49.27	Kirby LF	\$7.00	\$25.67	\$32.67
Mixed Dirt	Ox Mt	\$37.75	\$15.52	\$53.27	Kirby LF	\$21.00	\$25.67	\$46.67
Base Rock Aggregates	Ox Mt	\$24.75	\$15.52	\$40.27	Kirby LF	\$7.00	\$25.67	\$32.67
Mixed C&D	Newby	\$75.00	\$22.52	\$97.52	Guadalupe LF	\$80.00	\$24.43	\$104.43
Mixed C&D (ADC)	Ox Mt	\$69.75	\$15.52	\$85.27	N/A	N/A	N/A	N/A
Wood waste	Ox Mt	\$49.75	\$15.52	\$65.27	Guadalupe	\$35.00	\$25.67	\$60.67
Wood waste, dimensional (alt)	N/A	N/A	N/A	N/A	Tri-Cities	\$0.00	TBD	N/A
Clean green waste/brush	Ox Mt	\$49.75	\$15.52	\$65.27	Guadalupe LF	\$55.00	\$25.67	N/A
Residential organics	Newby	TBD	\$22.52	TBD	Kirby LF	\$35/ton + \$531/load	\$25.67	\$60.67/ton + \$531/load
Commercial organics	Newby	TBD	\$22.52	TBD	Davis St OMRF	\$180-\$200	TBD	N/A
Biosolids	Ox Mt	\$58.75	\$15.52	\$74.27	Kirby LF	\$44.50	\$25.67	\$70.17

Evaluation of Material Handling Options

- Capacity does not appear to be an issue for any options proposed
- Not all proposal options offer diversion
- WM hauling distances are greater for most material types
- Cost differences vary by material and facility

Summary of Phase 2 Options

- Both companies offer viable land leasing options and material handling services
- Inclusion of these services as options in the disposal agreement provides flexibility for the SBWMA in the future