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# Request for Proposals for Municipal Solid Waste Services for The City of Greensboro

**Tuesday March 22, 2011**



# Introductions



**Drew Isenhour**  
Vice President  
Republic Services  
North Carolina

**Bill Schrum**  
Director  
Municipal Marketing

**Mark Bacon**  
General Manager  
Project Manager  
Bishop Road  
Transfer Station

**William Maness**  
General Manager  
Uwharrie  
Environmental Landfill

**Ray Hoffman**  
NC Area  
Environmental  
Engineer

**Tracy Nestor**  
Municipal Services  
Manager

**Jimmy Torrey**  
Operations Manager  
Bishop Road  
Transfer Station

**Joe Reynolds**  
Site Manager  
Uwharrie  
Environmental Landfill



# Summary of Service Options



- Republic proposes to continue to transfer waste to a Subtitle D landfill as the focus of a long term solid waste solution for the City of Greensboro and Guilford County.
- Our proposal encompasses the core principle of our company's mission which is to provide industry-leading solid waste and environmental services that exceed our customers highest expectations.



# Republic Services Proposal Goals



- Provide the City with guaranteed disposal capacity for 15 plus years.
- Perform the above task in an environmentally sound approach.
- Provide the above services in an economically viable manner.
- Avoid political controversy for re-opening White Street Landfill.
- Work with the City to provide guidance to meet waste reduction thresholds.
- Implement the above tasks with very little disruption to current solid waste operations.



# Option 1 Disposal Only



- **\$23.50/ton**
- **This option mirrors the current agreement with The City and Republic Services. This option would not require changes to the current operations plans. The City would benefit from a rate reduction of \$.84/ton. This reduction equates to an annual savings of \$198,996. Over the term of the contract the City would see about \$3,000,000 in savings over current expenses. The City would be responsible for contracting for hauling services. Additional savings could be realized if the City negotiated a favorable transportation rate.**
- **The City would continue all operations of transfer station that would include loading, permitting, utilities, scales, leachate removal, litter control, debt service, facility and equipment maintenance. The City would continue processing Construction and Demolition debris (C&D), yard waste, and waste from the waste water treatment plant at the White Street landfill.**



## Option 2- Load, Haul, and Disposal Services from the City's Transfer Station



- \$40.80/ton 0-150,000 tons, \$38.85/ton 150,000-250,000, \$38.68 250,000 tons plus
- Continue to transfer waste from the City's transfer station to the out-of county facility. The operational changes would include loading of waste and transportation of waste would now be in one agreement. Republic Services of North Carolina would be the contract holder. Hilco Transport would be the subcontractor for loading and transfer of waste from the City Transfer Station to the Republic Services Uwharrie Environmental Landfill. Hilco Transport will assume operations of the transfer station.
- The City would continue paying for permitting, utilities, scales, leachate removal, debt service, and landscaping services. The City would continue processing Construction and Demolition debris (C&D), yard waste, and waste from the waste water treatment plant at the White Street landfill.
- Current cost to the City for loading, transportation and disposal is around \$44.84/ton. Based on the proposed rate \$38.85/ton at current volumes the City would save at least \$500,000 per year on loading, transportation and disposal.
- Additional savings not calculated would come from City's sale of equipment. Over the term of the contract the City would realize about \$7,500,000 in savings over current operations.



## Option 3- Load, Haul, and Disposal Services from Republic's Bishop Rd Transfer Station



- This option offers the City the most significant savings, \$35.58/ton
- Republic recommends that the City decommission or repurpose( Possible MRF) the City's transfer station, utilize Republic Services Bishop Road transfer station as primary disposal facility.
- The City would save \$1.5M in operational expenses from the transfer station. In addition the City would realize a reduction of \$400,000 in disposal expenses annually. Over the term of the contract the City would see about \$28,500,000 in savings over current operations.
- Republic Services would be the contract holder and would subcontract KRD Trucking for loading and transfer of waste to the Uwharrie Environmental Landfill. Republic Services would work with the City to evaluate converting the City's transfer station to a state of the art Materials Recovery Facility (MRF) to meet further waste reduction thresholds. The City could also consider selling the equipment and property for an additional windfall and offset debt service.
- The City would be responsible for bringing all City volumes to the Bishop Road transfer station and agree not to allow the City transfer station to be used for transfer of MSW for the term of the contract.



# Qualifications



- Republic Services is the second largest provider of services in the domestic non-hazardous solid waste industry as measured by revenue.
- We provide non-hazardous solid waste collection services for commercial, industrial, municipal and residential customers through 348 collection companies in 40 states and Puerto Rico.
- We own or operate 204 transfer stations, 193 active solid waste landfills and 76 recycling facilities.
- We also operate 73 landfill gas and renewable energy projects.
- Since incorporation, Republic Services has been committed to the essential components of integrated solid waste management services: collection, recycling, composting, transfer and disposal. Each division of Republic Services is dedicated to preserving the environment while providing the most cost-effective programs for solid waste collection and disposal.





# Qualifications



- **Landfill Gas and Renewable Energy Projects.** Republic has a total of 73 active landfill gas to energy (LFGTE) projects. These projects consist of the following:
  - 51 electric plants fueled by landfill gas;
  - 14 medium British Thermal Unit (BTU) plants providing landfill gas to industrial users to be burned as fuel;
  - 6 high BTU plants that provide pipeline quality natural gas that ultimately could be used to fuel our natural gas fleet, and
  - 2 projects that burn landfill gas to evaporate leachate.
- Our 51 generating projects produce 321 megawatts of electricity annually, which is enough power to supply the electric needs of 189,530 homes. Our 22 other LFGTE projects process and produce 55,950 cubic feet per minute of landfill gas annually, which provides an energy benefit equivalent to heating 190,151 homes. The environmental benefit of all of our projects removes the equivalent of 950,434 tons of methane emissions and 2,346,535 tons of carbon dioxide emissions from the atmosphere. This is equivalent to removing the emissions of approximately 3.9 million cars from our highways.



## Experience In North Carolina

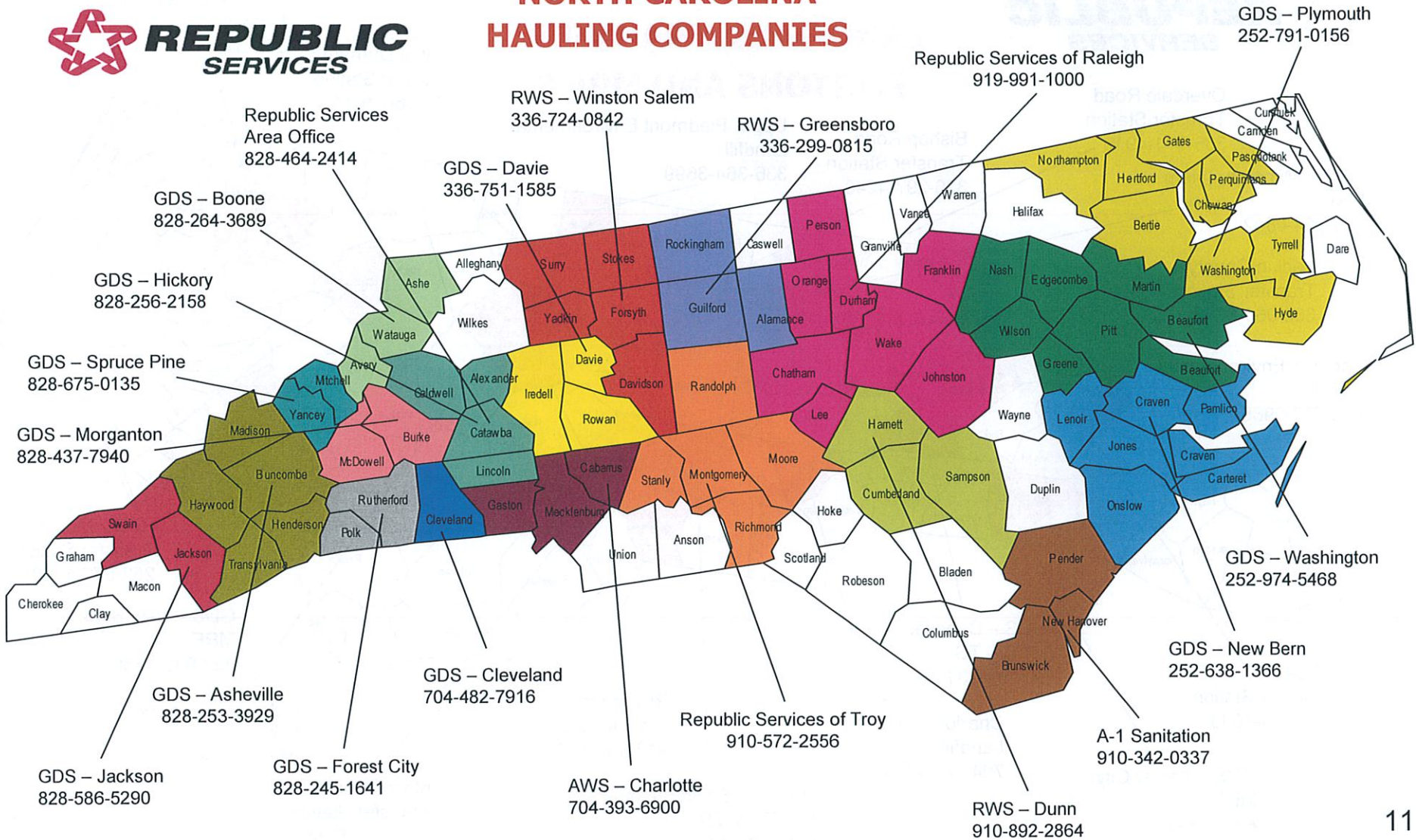


- The City of Greensboro
- The City of Durham
- The City of Asheboro
- Moore County
- Montgomery County





# NORTH CAROLINA HAULING COMPANIES





## Financial Strength



- As of December 31, 2010, Republic Services, Inc. reported total assets of \$19,461,900,000. The financial prospects for Republic Services indicate long-term stability based on the Company's assets. The lowest debt to income in the industry. It is the Company's belief that it has the financial capabilities and sufficient working capital or access to sufficient working capital to finance and perform the required work.



# Project Approach



- According to the City's FY 10-11 budget, the Solid Waste Management budget the total cost of the transfer station including debt service is \$11M. Based on the annual tonnage the cost to run the transfer station, debt service, transportation and disposal equals  $\$11,000,000 \div 236,900 \text{ tons/year} = \$46.43/\text{ton}$

Republic disposal:	\$22.34	} <i>Current expenses</i>
Hilco transportation	\$11.90	
fuel surcharge	\$ 2.26	
NC	\$ 2.00	
<b>Total</b>	<b>\$38.50/ton</b>	

- \$11,000,000(budget)-\$9,120,650(transfer and disposal)= \$1,879,350 remaining for operations and debt service. Assuming debt service is \$386,000 per year then operations is \$1,493,000/ year. *\*remaining debt service on transfer station according to FY 10-11 budget is \$6,470,000.*
- Based on the 2010 -11 FY budget we estimate loading and operations at \$6.30/ ton, and debt service at \$1.63/ton



# Project Approach



- Of the 236,900 tons disposed last year the City only collects 122,239. Of the 122,239 tons/year only 64,000 are residential waste and 58,000 tons are commercial collections by the City. The remaining 114,661 tons are from 3<sup>rd</sup> party volume. *Republic bid on all tonnage levels requested in the RFP.*
- Closing the transfer station would save the City \$1,493,000/year in operational expenses assuming debt service is about \$386,000/year. The City could benefit from an immediate windfall by selling the transfer station equipment and property to offset the debt service.
- Coupling these savings with Republic's Option 3 would save the City approximately \$1.9 M per year. The City could then consider using the savings to convert the transfer station to a MRF.



# Community Concerns



- Republic's proposal avoids the White Street debate and still saves money. Council voted to close the landfill in 2006. A decision to reopen compromises the commitment made to the White Street community for landfill closure. Re-opening the landfill has the potential to launch expensive and lengthy lawsuits at a great expense to the City. The lawsuit could also delay any activity at the landfill until settled.
- Immediate implementation. Due to Republic's facility staff and current operations, the City could implement a disposal location change with very little disruption to current operations and can be implemented within the RFP time frame to produce immediate savings for the FY 11-12 budget.
- Disposal Capacity. Republic has the air space to guarantee the City of Greensboro disposal capacity for the term of the contract.
- Republic has the staff, facility and equipment for the job. Republic's Bishop Rd location has the capacity, staff and equipment to process the City's tonnage.
- Our People. Local Employees. Republic's strongest asset is our people. Our professional and helpful staff work with customers to ensure safe and reliable service. Our local employees play the most vital role in ensuring customer satisfaction. We are proud to have the best employees in the business.





# The Republic Difference



- **Environmental responsibility is our business. It is not one component it's what we do. We manage materials used by the current generation so that they benefit and do not harm future generations. We are working with our customers, vendors and communities we serve to ensure the protection and improvement of the environment.**
- **We strive for excellence. From serving large national customers to taking care of waste and the collection of recyclables in neighborhoods across America, our goal is to run a quality, customer-focused business in an environmentally responsible manner**
- **We're making things better for tomorrow by leading by example today.**



## Bottom Line



- Republic Services can provide solid waste services in the most efficient, low cost and environmentally protective manner.
- Our proven commitment to service combined with the strength of our local staff ensures a successful solid waste partnership with the city of Greensboro, for the benefit of its citizens.
- Please let me know if there is any additional information we can provide the City.
- We look forward to continue our mutually-beneficial partnership with the City, its residents and environment.
- *Together we can deliver strategic lasting solutions for the City of Greensboro*

