



Legislation Details (With Text)

File #: 22-8054 **Version:** 1 **Name:** Materials Recycling Facility (MRF) Equipment Retrofit

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On agenda: 11/15/2022 **Final action:**

Title: Materials Recycling Facility and Corresponding Update to Financial Model

Sponsors:

Indexes:

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Attachments: 1. 11 15 2022 BOCC Solid Waste MRF-Financial Presentation PPT, 2. 11 15 2022 RFBA Solid Waste 12.5 Post Closure loan

Date	Ver.	Action By	Action	Result
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Title

Materials Recycling Facility (MRF) Equipment Retrofit Contractor Selection and Corresponding Update to Financial Model

Action

ACTION:

(A) Authorize the County Manager to negotiate and execute a contract with Van Dyk Recycling Solutions in the amount of \$25,679,087

(B) Approve a Capital Project Ordinance creating a loan from the Landfill Closure/Post Closure Fund to the Solid Waste Capital Fund in the amount of \$12,500,000

(C) Amend the FY23 Solid Waste Operating Budget to include repayment of \$2,000,000 for an interfund loan authorized on 2/21/2017 (#17-3817)

(D) Receive update to financial model to accommodate projected capital expenses

Staff Contact: Jeffrey Smithberger - Director of Solid Waste
David Boyd - Director of Finance

Presentation: Yes

BACKGROUND/JUSTIFICATION:

Mecklenburg County issued a Request for Proposals (RFP) on May 20, 2022, for interested firms to provide proposals on replacement equipment and processes to separate mixed stream recyclables currently received at the County-owned Materials Recovery Facility (MRF). The current facility is over 15 years old and is experiencing operational challenges due to frequent equipment breakdowns and needs replacement. The RFP was issued to obtain proposals from Service Providers to provide the best methods and separation technology to recycle more efficiently and productively, utilizing modern and efficient standards.

Proposals were received on August 31, 2022, at 2:00pm at the Suttle Avenue office of LUESA. Proposals were received from the following Service Providers:

- Bulk Handling Systems;
- eFactor3, LLC;
- General Kinematics Corporation;
- Machinex Technologies, Inc.; and
- Van Dyk Recycling Solutions

The County Evaluation Committee, including representation from the Waste Management Advisory Board, conducted an initial evaluation of the proposals and developed a short-list of three Service Providers to interview. The three Service Providers interviewed were:

<u>FIRMS</u>	<u>EQUIPMENT COST</u>	<u>COST TO PROCESS</u>	<u>RANKING</u>
· Bulk Handling Systems;	\$33.6M	\$27.43/ton	2
· Machinex Technologies, Inc.; and	\$19.9M	\$29.02/ton	3
· Van Dyk Recycling Solutions	\$24.5M	\$20.08/ton	1

Shortlisted firms used various technologies and proprietary solutions. Each had different price points for the solutions.

The evaluation committee selected Van Dyk Recycling Solutions, as their solution provides flexibility in sorting material types, with the most cost-efficient operational staffing. Van Dyk’s solution also will substantially reduce the number of sorting personnel, reducing operating costs in future years. Van Dyk offered a Best and Final Offer where they agreed to lower the cost from \$24.5M to \$23.9M.

Time is of the essence to select a suitable Service Provider as the existing MRF is failing and vendor pricing cannot be maintained beyond December 20, 2022.

This Action allows the County Manager or her designee to execute a contract with Van Dyk Recycling Solutions for \$25,679,087 which includes 7% contingency.

To accommodate increased capital expenses for current and proposed capital projects, the Financial Model that was originally presented to the BOCC in FY22 is updated to reflect the current and expected economic climate.

PROCUREMENT BACKGROUND:

Proposals were required by G.S. 143-129; Procedure for the Letting of Public Contracts.

POLICY IMPACT:

N/A

FISCAL IMPACT:

\$25,679,087 is coming from Solid Waste Enterprise Fund.