



MRF Status Update & Next Steps

Environmental Commission

February 15, 2017

Goals for This Evening

- ▶ Background and status update regarding:
 - ▶ Interim Operations RFP for the MRF & Transfer Station
 - ▶ Equipment and Facilities Assessments for the MRF & Transfer Station
- ▶ Presentation of staff recommendations moving forward
- ▶ Environmental Commission recommendation to Council regarding Interim Operations of MRF & Transfer Station

Goals

- ▶ Provide recycling collection and processing for the City of Ann Arbor consistent with the values of the community
- ▶ Deliver services in a safe and fiscally responsible manner
- ▶ Consider interim-term and long-term options for accomplishing goal
- ▶ Interim-Term
 - ▶ No disruption to collection services
 - ▶ Competitively bid operations
 - ▶ Assess equipment and building conditions
 - ▶ Determine cost estimate, feasibility and timeline for resuming full operations at MRF
- ▶ Long-Term
 - ▶ Evaluate and select optimal service model
 - ▶ City MRF vs Regional, Collaborative MRF
 - ▶ Develop plan and timeline for implementation

Background: July 2016 - February 2017

- ▶ July 11, 2016: Contracted operations with ReCommunity ended... processing continues by Waste Management under emergency purchase order
- ▶ August 4, 2016: City Council ratified emergency purchase order to Waste Management of Michigan (WMM)
- ▶ August 12, 2016: RFP #980 issued for Interim MRF and Transfer Station Operator
- ▶ September 6, 2016: City Council approved contract for short-term operations of the MRF & Transfer Station with WMM
- ▶ September - October: RFP amended by 4 addenda responding to potential proposers
- ▶ October 28, 2016: 3 Proposals Received

Background: July 2016 - February 2017

- ▶ July 2016 - February 2017: CB&I evaluation of City's MRF previous operating contract and business model; development of RFP for long-term operations
- ▶ December 2016: CB&I recommends combining Transfer Station Operations with Landfill Disposal Contract
 - ▶ Current Landfill Disposal Contract expires 6/30/17
- ▶ February 2017: Release RFP for Transfer Station Operations and Landfill Disposal Contract
- ▶ Spring/Summer 2017: RFP for Long-Term Operations of MRF anticipated to be released with contract award targeted for end of 2017

Interim Operations RFP Process

- ▶ Three proposals submitted, evaluated and interviewed
 - ▶ Emterra Environmental USA
 - ▶ Recycle Ann Arbor
 - ▶ Waste Management of Michigan
- ▶ Scoring following proposal reviews, interviews and fee evaluations
 - ▶ Emterra Environmental USA 87.8
 - ▶ Waste Management of Michigan 81.4
 - ▶ Recycle Ann Arbor 56.4

Baled Material vs. Loose Loaded Material

- ▶ Recycle Ann Arbor proposal included option for loose loading of single-stream material rather than baling
- ▶ Loose Load vs. Baled Material
 - ▶ Staff estimates 2.45 times more greenhouse gas (GHG) emissions for transportation of loose load operation than for baling
 - ▶ Material Audit of Ann Arbor baled single-stream material found residual rate (11%) in-line with residual rate with previous operator
 - ▶ Loose loading is not expected to greatly reduce residual rate
- ▶ Loose Load Option utilizes Transfer Station for operations
 - ▶ Will no longer be part of contract after 6/30/17
 - ▶ Included in Landfill Disposal RFP
- ▶ Interim operation will continue baling until MRF equipment able to process material on-site

Cost Comparison

- ▶ Comparing each Cost Proposal, calculating a sample monthly cost using as a base month:
 - ▶ September 2016 tons of recyclables baled, transloaded and processed at the Proposer's facility
 - ▶ September 2016 tons of municipal solid waste (MSW) at the Transfer Station
- ▶ Cost with Waste Management of Michigan
 - ▶ \$193,341.47
- ▶ Cost with Emterra Environmental USA
 - ▶ \$242,138.69 (25% higher than WM)
- ▶ Cost with Recycle Ann Arbor
 - ▶ \$285,092.92 (47% higher than WM)

Facility and Equipment Condition Assessment Sources

- ▶ Staff Observations & Experience
- ▶ City Safety Inspection Report
 - ▶ Performed by City Safety Unit staff
 - ▶ Evaluation of facility and equipment from safety perspective
- ▶ Waste Management Report
 - ▶ Evaluation of processing equipment
- ▶ CP Report
 - ▶ Evaluation of processing equipment outside of Waste Management effort, 2nd opinion
- ▶ Goal: Determine cost estimate, feasibility and timeline for resuming full operations at MRF

MRF Facility

- ▶ Scale will need to be replaced
 - ▶ Recently repaired following inspection
 - ▶ Only 2-3 year remaining life expectancy
 - ▶ New scale included in CIP Project
 - ▶ Landfill Entrance Improvements (\$1.28 M)
- ▶ Roof needs repair and inspection
 - ▶ Obvious leak onto tip floor
- ▶ Downspouts damaged, disconnected, and missing
- ▶ Siding needs to be repaired
- ▶ Building needs to be powerwashed
 - ▶ Excessive dust is fire hazard
- ▶ Multiple safety electrical repairs/replacements



MRF Facility (cont'd)

- ▶ Multiple safety signage repairs/replacements
- ▶ Eliminate water infiltration
- ▶ Rearrange equipment to provide adequate egress
- ▶ Replace broken windows
- ▶ Replace ceiling tiles
- ▶ Remove debris from ceiling
- ▶ Remove unused equipment from around facility
- ▶ Replace crumbling concrete barrier at the back side of the tip floor
- ▶ Current total planning level cost estimate (other than CIP project):
\$300,000 - \$350,000

Transfer Station

- ▶ Grinder pumps not functioning
- ▶ Sewer drain located in middle of tip floor filled in with concrete
- ▶ The truck entrance needs to be widened
- ▶ Entrance/Exit Gates need to be repaired/replaced
- ▶ Roof requires an inspection, and potential repairs
- ▶ Downspouts damaged, disconnected, missing
- ▶ Siding needs to be repaired
- ▶ Building needs to be powerwashed
- ▶ Current total planning level cost estimate:

\$270,000 - \$300,000

Equipment Assessment

- ▶ Older technology
 - ▶ Reliant on high level of manual labor
 - ▶ First portion of system is original to dual-stream
 - ▶ Lack of replacement parts
- ▶ Lack of preventative maintenance and proper repairs cited
 - ▶ Limitations on space due to equipment configuration and building footprint
- ▶ Only able to inspect equipment in static condition
 - ▶ Unsafe to start-up equipment
- ▶ Long lead time if repairs to be made, particularly for first portion of system
- ▶ Repair costs estimated to be significant
 - ▶ \$100,000 - \$400,000 + add'l \$ for repairs after operational (WM Assessment)
 - ▶ Staff preparing for higher estimate from CP Manufacturing

Equipment Assessment (cont'd)

If decide to make repairs rather than replace the equipment

- ▶ Limitations on space will still exist
 - ▶ Inability to perform maintenance
 - ▶ Reduced life for old technology equipment
- ▶ Still reliant on old technology
 - ▶ Still reliant on large amount of manual labor
 - ▶ High turnover rate
 - ▶ Lack of trained, consistent workforce

Status of Fund Balance

Unrestricted Solid Waste Fund Balance as of 6/30/16	\$12,765,406
Budgeted FY17 Operating Budget Balance Impact	(\$4,312)
Baler Replacement	(\$542,835)
Anticipated Need for FY17 MRF/TS Operations	(\$1,700,000)
Estimated TS Facility Needs	(\$300,000)
Estimated MRF Facility Needs	(\$350,000)
Repairs/Replacement of Processing Equipment	???????
Estimated Future Balance at end of FY17	\$9,868,259

Staff Recommended Next Steps

- ▶ Focus staff efforts on repairs at Transfer Station facility
- ▶ Engage Washtenaw County regarding potential for regional MRF/recycling program and facility
- ▶ Develop and present recommendation to policy makers regarding how to restart full processing at MRF
- ▶ Present resolution to City Council to award Contract to Waste Management of Michigan for Interim Operations of MRF and Transfer Station, until long-term operator onboard.

Questions and Discussion

