

**RFP 19-28: MRF Operations and Recyclables Processing**

Firm Name(s): **Emterra Environmental USA**

Reviewer: Compiled Team Scoring

**Proposal Evaluation**

Professional Qualifications/Quality of Work - 20 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
Skill and qualifications of <b>key</b> management personnel	30%	0 - 30	27.86		Management Team has extensive experience in the industry, and many years with Emterra... 5 key management roles, including CEO, Director of Process Improvement, Controller, General Manager and VP of Corporate Strategy and Business Development all with clearly defined roles and responsibilities
Skill and qualifications of team members, including subcontractors	30%	0 - 30	27.86		No subcontractors involved... operating since the 70s and significant experience with market development, clearly identified end markets, including prioritizing environmental and economic benefits... Emterra has experience in MI, in 8 counties... innovative recycling and circular economy partnerships with industry and local governments... received multiple awards (Canadian), including for green organizations and woman-owned businesses
Safety & Training Programs	10%	0 - 10	6.57		They hold monthly safety meeting and weekly toolbox talks on various safety topics.... The have regular reviews of loss data with their TPA and risk staff.
History of firm(s), length of existence	30%	0 - 30	29.29	*Length of existence (0-10); Breadth/depth of MRF experience (0-10); Commodity Marketing experience (0-10)	43 years of collections, processing and commodity marketing... 14 MRFs owned and operated, including 6 single-stream, processing 550,000,000 tons (1/2 billion tons) annually... 8 member commodity marketing team (all internal staff)
<b>Weighted Sub Total</b>		<b>91.6</b>	<b>x</b>	<b>0.20</b>	<b>18.31</b>

Past Involvement with Similar Projects - 15 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
Specific experience with similar projects	60%	0 - 60	57.43		Emterra has successfully run collection and transloading in municipalities... expertise is in-house and vertically integrated with collections, processing and commodity marketing all provided by Emterra...the City anticipates streamlined communications, reporting, and commodity marketing outcomes
Safety Record/Incidents	20%	0 - 20	14.14		EMR and incident rates are above industry averages, however proposer provided thoughtful insight into how they are addressing safety within their organization and shared worker's compensation data showing most incidents are low severity
Quality and relevance of references listed within the proposal	20%	0 - 20	17.43	(3 trade references to be provided)	References provided are for Canadian city government officials regarding Emterra projects similar to what is being proposed here
<b>Weighted Sub Total</b>		<b>89</b>	<b>x</b>	<b>0.15</b>	<b>13.35</b>

Proposed Work Plan - 35 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
The work plan shall be sufficiently detailed and clear to define the methodology to be employed by the Offeror, including: Staffing; Process for processing of recyclables; identification of primary processing sites; identification of back-up (interim for Option 2) processor; management and scheduling of the work; communication and coordination with the City.	65%	0 - 65	60.71		Only includes Option #1...Proposal clearly presents staffing plan, including individual roles, as well as operational methodology including transloading, transportation, processing and commodity marketing... Emterra provides clear description of how they will begin operations as proposed on 7/1/20 including transloading from AA to their new MRF in Lansing, utilizing innovative technology to meet today's stricter recycling standards.  Seeking a clean recycling stream, Emterra recommends performing two additional (1/4'ly) material composition audits for a nominal \$1,000 each (total additional cost of \$2,000/year)
Distance to primary (interim) processing site	10%	0 - 10	7.57		transloading from AA to Emterra's new MRF in Lansing, MI (approximately 70 miles)
Overall completeness, clarity, thoroughness and content.	25%	0 - 25	21.71		Due to completeness, clarity and thoroughness of written proposal and interview/presentation, relatively few clarifying questions during the interview and only one follow-up item afterwards.
<b>Weighted Sub Total</b>		<b>90</b>	<b>x</b>	<b>0.35</b>	<b>31.50</b>

**Sub-Total Score: 63.16**

\* If subconsultants are being used include their work in the evaluations.

(70 possible points)

Fee Proposal (Option A) - 30 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
Option 1: Avg. Total Cost per Ton	75%	0 - 75	45		Less than RAA in base case for Option 1; more/slightly more (10-40%) in 5 of remaining 8 scenarios with outside tons
Option 1: Material Revenue Credit	15%	0 - 15	12		100% of actuals
Option 1: 3rd Party Recyclables Credit	5%	0 - 5	4		\$7/ton
Option 1: Saturday & Sunday Operations	5%	0 - 5	2		More than RAA's actual cost, but they did follow RFP directions
<b>Weighted Sub Total</b>		<b>63</b>	<b>x</b>	<b>0.30</b>	<b>18.9</b>
<b>Total Score (Option 1):</b>				<b>82.06</b>	

(100 possible points)

Fee Proposal (Option B) - 30 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
Option 2: Blended Capital/O&M Cost per Month	60%	0 - 60			Not offered, only proposed on Option 1
Option 2: Material Revenue Credit	20%	0 - 20			
Option 2: 3rd Party Recyclables Credit	15%	0 - 15			
Option 2: Saturday & Sunday Operations	5%	0 - 5			
<b>Weighted Sub Total</b>		<b>0</b>	<b>x</b>	<b>0.30</b>	<b>0</b>
<b>Total Score (Option 2):</b>				<b>63.16</b>	

(100 possible points)

**General Notes and Comments**

- Vertically integrated organization, with all resources being Emterra staffed, owned and operated
- Recycling/resource recovery firm with broad and deep experience
- Ann Arbor materials to be recovered through new, high efficiency MRF facility to meet current stricter quality standards to achieve highest and best value and use or the community's recyclable materials

**RFP 19-28: MRF Operations and Recyclables Processing**

Firm Name(s): **Recycle Ann Arbor**

Reviewer: Compiled Team Scoring

**Proposal Evaluation**

Professional Qualifications/Quality of Work - 20 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
Skill and qualifications of key management personnel	30%	0 - 30	18.86		RAA's CEO has experience in solid waste, spanning 30 years of collection, transfer, processing, financing and marketing. Most recently, he led an expansion of a Twin Cities MRF, only with RAA one year... RAA's Director of Strategy has experience managing Ann Arbor's contract for the initial MRF operator on behalf of the City... While two of RAA's key management personnel are experienced in solid waste management, we are concerned that the proposed Director of Operations—never having overseen MRF construction operations and operations previously, or any project of this size or complexity -- may lack the depth and breadth of experience to manage the City's MRF at this point in time, and that the CEO is serving many roles - - leading/performing the commodity marketing, overseeing the MRF operations, etc. - - while still being the CEO of the organization; we do not share these concerns for the proposed trans loading operations.
Skill and qualifications of team members, including subcontractors	30%	0 - 30	21.00		It is difficult to evaluate skill and qualifications of RAA's team members for the MRF development proposal because while RAA identifies a need for future hires for the MRF Manager and Safety Supervisor, their proposal does not identify individuals to fill this role, nor does their proposal identify minimum experience level needed for these positions. While RAA identifies subcontractors and other entities, including EGLE, it is unclear what their specific roles, responsibilities and contractual obligations will be, other than in general, unclear and confusing terms. The MRF proposal relies heavily on their subcontractors for the majority of the implementation and start-up work, but it does not provide detail on subcontractors roles in the operational phase of the work.
Safety & Training Programs	10%	0 - 10	7.00		Quarterly safety meetings are not sufficient. Additional training and expertise would need to be developed to operate a sorting facility.
History of firm(s), length of existence	30%	0 - 30	19.57	*Length of existence (0-10); Breadth/depth of MRF experience (0-10); Commodity Marketing experience (0-10)	42 years in existence, including curbside collections, drop-off station, re-use center and recovery yard in Ann Arbor, providing insight into the community but not experience in a manner directly applicable to MRF processing operations. RAA has transloaded Ann Arbor's recyclables since 7/2017 to Rumpke's MRF facility in Cincinnati, OH.
<b>Weighted Sub Total</b>			<b>66.4</b>	<b>x</b>	<b>0.20</b>
			<b>13.29</b>		

Past Involvement with Similar Projects - 15 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
Specific experience with similar projects	60%	0 - 60	25.00		(Residuals, Average Truck Loading, GHG, Revenue Value and Floor Condition) over 2+ years of operation met only 38.5% to-date. Under loose loading operations residual rate climbed with each material composition audit (to over 12%) until last audit when they met the 10.0% target.
Safety Record/Incidents	20%	0 - 20	16.14		Incident and DART rwere recalculated and are below industry averages
Quality and relevance of references listed within the proposal	20%	0 - 20	7.29	(3 trade references to be provided)	Very limited relevance... of the 3 references RAA provides only Rumpke is associated with their current transloading services, and cannot provide insight as to how RAA will perform as a MRF operations. The other 2 references, one is a potential vendor for material (Pratt Industries) and the other (Knight Transfer Services) provides dumpster/roll-off rentals. No references provided from any municipal clients... Several letters of support speak to RAA's future work with a MRF, but these anticipate relationships and feedback is not based on current work or experience
<b>Weighted Sub Total</b>			<b>48.4</b>	<b>x</b>	<b>0.15</b>
			<b>7.26</b>		

Proposed Work Plan - 35 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
The work plan shall be sufficiently detailed and clear to define the methodology to be employed by the Offeror, including: Staffing; Process for processing of recyclables; identification of primary processing sites; identification of back-up (interim for Option 2) processor; management and scheduling of the work; communication and coordination with the City.	65%	0 - 65	38.86		The option 1 work plan is detailed and clear. For transloading RAA proposes to continue current operations.  Options 2, MRF work plan lacks detail and clarity. There were a lot of "to be determined " items, most of which could significantly impact cost and increase risk to City. Maintenance of equipment beyond startup not determined. RAA offered to contract with Machinex long term but for a fee (to the City). Funding said to be secured but no evidence of this, other than EGLE grant. Given the significant capital outlay required for MRF option, this puts the City in potential risk situation.  Proposal includes refurbishing some existing equipment that City made clear is being retired due to safety/condition concerns. Machinex "determination" questionable as equipment has no power and could not be turned on for evaluation.  Unclear how many staff are needed to sort and staff the facility, and with RAA having no experience as a MRF processor question how their implementation would work. Additionally, the relationships between RAA and subcontractors is difficult to follow. I have questions/concerns about strength of RAA's MRF operations should the relationships with multiple subcontractors not work as proposed.  Options 2 and 3 raise questions about feasibility of refurbishing and re-equipping MRF while simultaneously conducting transloading operations, particularly with RAA's reduction of timeframe from 24 months (written proposal) to 12 months (interview) without details/explanation of how this could be achieved.
Distance to primary (interim) processing site	10%	0 - 10	8.86		Southfield, MI...back-up to Republic /RRRASOC is Rumpke (far away). RRRSOC currently processes approximately 235 tons/day, with total capacity of 305 tons/day. City tonnage (~60 tons/day) may not allow for 3rd party tonnage due to limited RRRASOC capacity.
Overall completeness, clarity, thoroughness and content.	25%	0 - 25	14.43		Did not follow/meet RFP requirements in multiple instances, including: Saturday/Sunday costs; Option 2 refurbishment of equipment; Option 2 Revenue Share retaining first \$45/ton... Significant follow-up questions/unknowns remaining about operations and financing after reading the proposal, interview in person and approximately 20 follow-up items. Responses to several of the follow-up items failed to provide clarity. For example, no detail provided on increase in capital costs (and stated costs are only good for 90 days from 9/17/19).
<b>Weighted Sub Total</b>			<b>62.1</b>	<b>x</b>	<b>0.35</b>
			<b>21.75</b>		
			<b>Sub-Total Score: 42.30</b>		

\* If subconsultants are being used include their work in the evaluations. (70 possible points)

Fee Proposal (Option A) - 30 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
Option 1: Avg. Total Cost per Ton	75%	0 - 75	65		More than Emterra in base case for Option 1; less/slightly less (10-40%) in 5 of remaining 8 scenarios with outside tons... However, see question/concern regarding likely inability to accept outside tons due to limited capacity at RRRASOC so unlikely opportunity for other scenarios under Option 1
Option 1: Material Revenue Credit	15%	0 - 15	8		80% of actuals
Option 1: 3rd Party Recyclables Credit	5%	0 - 5	1		\$2/ton, compared
Option 1: Saturday & Sunday Operations	5%	0 - 5	4		not followed RFP directions, still charging Transload per ton charge, but calculates less than Emterra's
<b>Weighted Sub Total</b>			<b>78</b>	<b>x</b>	<b>0.30</b>
			<b>23.4</b>		
			<b>Total Score (Option 1): 65.70</b>		
(100 possible points)					

Fee Proposal (Option B) - 30 points	Weight	Scoring Range	Score	Scoring Notes/Clarifications	Comments
Option 2: Blended Capital/O&M Cost per Month	60%	0 - 60	40		Capital cost increased 27% from 5/1/19 (MDEQ grant application) and 9/17/19 (Proposal), and in follow-up response noted due to "equipment and other costs increased" and "the pricing we have now is in effect for 90 days from Sept. 17, 2019"... many responses to cost item questions were "we'll negotiate that"... unsure about how solid \$ are
Option 2: Material Revenue Credit	20%	0 - 20	2		Proposing opposite of RFP directions and current industry practice by keeping first \$45/ton of revenue before City receives any
Option 2: 3rd Party Recyclables Credit	15%	0 - 15	7		An Option 3 given stating that it will be better pricing for City, but pretty much the same as base Option 2 under the scenarios run
Option 2: Saturday & Sunday Operations	5%	0 - 5	4		Same as for Option 1
<b>Weighted Sub Total</b>			<b>53</b>	<b>x</b>	<b>0.30</b>
			<b>15.9</b>		
			<b>Total Score (Option 2): 58.20</b>		
(100 possible points)					

**General Notes and Comments**

- Following proposal review, in-person interview and follow-up items responses still have many unknowns/questions, uncertainties.
- Lack of any direct experience by RAA in Option 2 approach, uncertainty of final capital costs result in much risk being assumed by City