



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by J. W. M. M. Date 9/12/07  
General Manager

DATE: September 12, 2007  
TO: General Manager  
FROM: Senior Engineer  
SUBJECT: Request for Proposals (RFP) for Sand Excavation and Marketing Services

**RECOMMENDATION:** That the Board authorize issuance of a Request for Proposals (RFP) from contractors to provide services related to the excavation and marketing of sand at the District's site.

### BACKGROUND

Earthwork for the development and operation of the landfill includes excavation of on-site sand for landfill soil cover needs and for the construction of earth fills and liners. There is a significant surplus of on-site sand, in excess of the amount of soil needed for the construction, operation, and closure of the landfill. In the Landfill Site Master Plan, it is estimated that a total of 17 million cubic yards (CY), or 25.5 million tons at 1.5 tons per CY, of sand will need to be excavated in order to maximize the waste capacity of the landfill airspace volume.

The sand from the District's soil borrow area is an important resource for the local and regional construction industry. The exporting of sand brings in significant revenue to the District (\$360,000 in FY 06/07). More importantly, the sand export creates additional landfill airspace and waste capacity, allowing the District to maximize its landfill resource, and extend the life of the landfill. However, as shown on Table 1 (attached), the District's sand sales volume has decreased significantly in recent years, from a record high of 315,409 tons sold in FY 97/98 to a total of only 126,026 tons sold in FY 06/07.

### NEED TO INCREASE SAND EXPORT VOLUME

In the development of the landfill site, it is necessary to complete the sand excavation operation for a landfill module in a timeframe to allow the module to be lined prior to waste disposal. The current landfilling operations are in Module 4 and the Modules 1, 2, and 3 sliver fills. Module 5 liner is scheduled for construction in the summer of 2009, and the excavation is nearly complete. Of particular concern is the construction of the future Landfill Module 6 composite liner, which is scheduled for construction in approximately nine years (2016), when Module 5 has reached capacity. Prior to lining Module 6, the District will need to excavate over 1,500,000 CY (1,750,000 CY minus 250,000 CY already excavated), or 2,250,000 tons of remaining fill sand over the next nine years.

This means that we have to remove sand at an average rate of **250,000 tons per year** over the next nine years to be ready for the Module 6 composite liner construction. If the sale of sand from this area does not keep pace with the need for removal, the District will be required to “double-handle” the sand, essentially having to excavate and stockpile it elsewhere on-site until removal of the sand from the site can be affected. By not having to double-handle this sand ourselves, or through a contractor, the District would save approximately \$1.50 per CY in costs.

In FY 2006/07, we sold 126,000 tons of fill sand. At this rate, prior to constructing the Module 6 liner, we would have to double-handle 1,116,000 tons (744,000 CY) of sand. Therefore, double-handling the sand would cost over \$1,000,000, a very expensive proposition. Time is of the essence. Clearly, the District needs to focus on marketing the sand in order to avoid the cost of double-handling.

### **PROPOSED PUBLIC-PRIVATE PARTNERSHIP**

It is clear that the District must pursue a more vigorous sand mining and export operation to ensure that the necessary airspace for future landfill disposal is available when needed for future expansion, and to maximize the value of the sand resource. The District is in need of assistance in marketing the surplus fill sand, and one way of accomplishing this is by forming a partnership with a private entity to take over the sand mining and marketing operation to increase the volume of sand export. Staff is recommending that the District consider soliciting proposals from contractors in the aggregate industry to provide long-term services related to the excavation and marketing of sand at the District’s landfill site.

### **PROPOSALS**

With authorization from the Board, staff will prepare the RFP to provide sand excavation and marketing services. Proposals would be due in late October 2007, with interviews and contract negotiations to be conducted in November.

Staff envisions that the following evaluation and selection criteria would be included in an RFP to provide sand mining and marketing services:

- Company history, size, and facility locations.
- Specialized expertise and competence of the company directly related to this project.
- Experience and qualifications of key personnel and their past performance record.
- Financial resources of company to enter into a long-term agreement with the District.
- Established product marketing plan.
- Materials testing and quality control capabilities.
- Product transportation assets.
- Safety record and environmental commitment.
- Ability to fulfill minimum insurance requirements.
- Understanding of the long-term needs of District and proposed approach to meeting these needs.
- Proposed work plan and time line to mobilize the necessary equipment and begin full-scale operations.

- Performance guarantees and ability to remove sand at a minimum rate of 250,000 tons per year.
- Royalty to be paid for sand.
- Ability to produce a value added product by classifying and/or washing the fill sand for use as a golf course sand, concrete blend product, plaster sand product, or other uses as developed by the contractor.
- Willingness to install an above-ground truck scale at the site.
- Ability to expand services offered to include other areas such as broken concrete rubble recycling and asphalt roofing shingles recycling.

We anticipate bringing a recommendation of contract award to the Board of Directors at the December 2007 meeting. Staff will recommend the award of a contract to the most qualified, responsible, responsive company that in the sole judgment of the District, provides the best value to the District on all criteria established in the RFP, vs. basing the award solely on the highest royalty payment to the District.

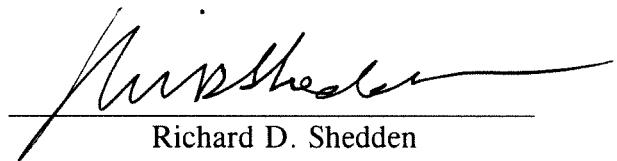
### STRATEGIC PLANNING

Authorizing a RFP and having the District team with a partner in this effort is in support of the following Strategic Planning Work Plan 2007-2017 Elements:

- A1b: Evaluate fiscal impacts of programs, operations, and personnel for 2007-2017.
- A3a: Evaluate effectiveness and efficiency of existing District operations and recommend changes as appropriate. Establish staff committee to evaluate operational efficiency; markets.
- B2b: Evaluate the creation of a partnership for long term.
- B3: Develop Site Master Plan; Identify and evaluate purpose, potential uses, and partners.

### RECOMMENDATION

It is therefore recommended that the Board of Directors authorize staff to solicit proposals from contractors to provide services related to the excavation and marketing of sand at the District's site.



Richard D. Shedden

Attachments

# TABLE 1

## *Monterey Regional Waste Management District*

### SAND SALES

<b>FISCAL YEAR</b>	<b>PRICE (\$/ton)</b>	<b>TONNAGE SOLD</b>	<b>SALES REVENUE</b>
90/91	\$0.37	21,228	\$11,000
91/92	\$0.37	75,650	\$38,000
92/93	\$0.37	101,314	\$51,000
93/94	\$0.75 <sup>(1)</sup>	78,791	\$48,000
94/95	\$0.75	170,233	\$128,000
95/96	\$1.00 <sup>(2)</sup>	254,606	\$225,000
96/97	\$1.25 <sup>(3)</sup>	314,822	\$358,000
97/98	\$1.75 <sup>(4,5)</sup>	315,409	\$563,000
98/99	\$2.75	162,899	\$448,000
99/00	\$2.75	173,789	\$478,000
00/01	\$2.75	158,900	\$437,000
01/02	\$2.75	140,038	\$386,000
02/03	\$2.75	143,359	\$394,000
03/04	\$3.00 <sup>(6)</sup>	105,243	\$302,000
04/05	\$3.00	90,398	\$271,000
05/06	\$3.00	112,865	\$339,000
06/07	\$3.00	126,026	\$360,000

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- (1) Price increased 1-1-94 to \$0.75/ton
  - (2) Price increased 1-1-96 to \$1.00/ton
  - (3) Price increased 1-1-97 to \$1.25/ton
  - (4) Price increased 10-1-97 to \$1.75/ton
  - (5) Price Increased 4-1-98 to \$2.75/ton
  - (6) Price Increased 1-1-04 to \$3.00/ton