



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by: WMM Date: 4.9.10
General Manager

DATE: April 9, 2010
TO: General Manager
FROM: Assistant General Manager
SUBJECT: Response to Request for Proposals from the Salinas Valley Solid Waste Authority for Organics Processing, Product Marketing, and Diversion Services

RECOMMENDATION: That the Board authorize General Manager to submit a proposal in response to the Salinas Valley Solid Waste Authority's (SVSWA) Request for Proposals (RFP) for Organics Processing, Product Marketing, and Diversion Services.

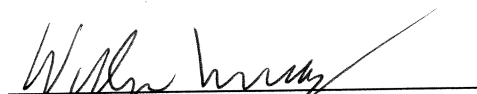
BACKGROUND

The SVSWA has released a RFP for Organics Processing, Product Marketing, and Diversion Services which is due April 19th, at 4 p.m. The scope of work describes services and operations the District now routinely performs, or provides, at its Monterey Peninsula Landfill site. Responding to the RFP conforms to an overriding policy Goal adopted in the District's Strategic Planning Work Plan (*Maintain and Develop Strategic Partnerships*). Additionally, the Board-approved General Manager's Goals for 2010 include "seek partnering opportunities", "assessing opportunities to increase revenue", "identify and take steps to secure new opportunities for regional waste processing". This matter has been discussed with, and meets approval of, District Legal Counsel.

The SVSWA's goal is that the work be initiated by July 1, 2010 and the contract would extend for two years under the provisions of the RFP. If the District's proposal is selected, staff believes that executing the work described therein would be in the best interest of the District, the SVSWA, and the residents of Monterey County. District staff believes the scope of work (attached) described in the RFP can be provided within the existing scope of District operations.

CONCLUSION

Staff therefore recommends that the Board of Directors authorize the General Manager to respond to the SVSWA's RFP for Organics Processing, Product Marketing, and Diversion Services. If the District is selected to provide these services, the resulting negotiated Agreement will be brought back to the Board for final approval.



Timothy S. Managan
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SALINAS VALLEY SOLID WASTE AUTHORITY

REQUEST FOR PROPOSALS

**ORGANICS PROCESSING, PRODUCT MARKETING,
AND DIVERSION SERVICES**

March 19, 2010

RESPONSES DUE: 4 p.m., April 19, 2010
Salinas Valley Solid Waste Authority

SCOPE OF WORK

GENERAL

The Salinas Valley Solid Waste Authority (Authority) is requesting Proposals from firms or companies (Proponents) experienced and interested in the receiving, processing, and utilizing or marketing of the following materials in beneficial reuse applications along with diversion services:

- Green waste
- Wood waste
- Food waste
- Additional Organic Feedstocks
- Diversion Services

The Authority intends to secure all or some of the services of one firm to receive and process those materials listed above which are collected from within the Authority boundaries or delivered to Authority facilities, and use or market the end-products from the processing operations. The Authority has identified the availability of land at the Johnson Canyon Landfill (JCLF) to host a limited level of processing as defined by our operating permit.

The following are tentative milestone dates associated with this RFP process. These dates are provided for clarification only, and are subject to change.

Issue RFP	March 23, 2010
Proponent's Mandatory Site Visit	March 30, 2010
Last Day of Questions	April 6, 2010
RFP proposals due date	April 19, 2010
RFP Clarifications/Interviews (if necessary)	April 26, 2010
Notice of Selection for RFP	April 28, 2010
Approve Contract Agreement	May 20, 2010
Start Services	July 1, 2010

BACKGROUND

The Salinas Valley Solid Waste Authority (SVSWA) is a joint powers agency made up of the unincorporated eastern areas of Monterey County and the Cities of Gonzales, Greenfield, King City, Salinas, and Soledad. The Authority is an autonomous governmental organization funded by solid waste tipping fees and controlled by a Board of Directors composed of elected representatives from each of the member municipalities.

Formed in 1997, the Authority is responsible for providing secure, long-term recycling, waste reduction and solid waste disposal services to all of its members in an environmentally sound and cost-effective manner. To accomplish this goal, the Authority currently owns and oversees the operations of one active landfill (Johnson Canyon Landfill in Gonzales) and a two transfer stations (Jolon Road in King City and Sun Street Transfer Station in the city of Salinas). The Authority is also responsible for overseeing future programs that will meet the area's long-term

solid waste disposal needs.

The Authority's mandate further includes the promotion and protection of the environmental health of the Salinas Valley. This is achieved through public education and through the planning and management of an innovative solid waste system that emphasizes local partnerships and community involvement in recycling, energy recovery, and state-of-the-art-technology.

SCOPE OF SERVICES

It is intended that the Proponent will supply all of the necessary labor, tools, and equipment needed to receive and process all or a portion of the identified waste streams, and will use or market the resulting products. This shall include:

- Implementation of processing facilities on land provided by the Authority
- Receipt of organic materials from the Authority and its member municipalities or their designated collection contractors, including self-haul
- Receipt of organic materials from areas outside the Authority under contract with a public or private entity
- Transportation to and marketing of at least three products at Sun Street Transfer Station for residential and landscaping purposes
- Marketing of the products at Sun Street Transfer Station must occur six days a week
- Operation of the processing facility capable of processing materials to meet end-user specifications in a responsible and nuisance-free manner
- Management of residuals from the processing operations
- Storage of finished products
- Control of odors, vectors, dust, and stormwater runoff appropriately
- Loading and transportation of finished products to end-users or public sale location
- Negotiation of sales of organic material agreements and collection of revenues from end-users
- Regular reporting of outbound material quantities
- Provide a loader-operator at the diversion service area at Johnson Canyon six days per week, eight hours a day, 360 days per year
- Separate and stock pile or load recycling materials

The proponent must first and foremost market its products to consumers of the Salinas Valley Solid Waste Authority's service area. The customers include, but not limited to: local composters, landscapers, commercial developers, government agencies, and citizens. Only left-over materials or materials without local markets can be market outside the Authority's service area. No material will be used as alternative daily cover either at the Authority's landfill or any outside landfill.

The Proponent will provide these services on a tipping fee basis (i.e. \$ per ton) for materials received from Authority transfer stations, self-haulers, commercial haulers, or by private contractors engaged by Authority member agencies.

The proponent may propose sharing revenues generated from the sales of materials with the Authority, but this is not mandatory.

SERVICE AREA AND FEEDSTOCKS

Proponents will be expected to receive and process source-separated wastes collected from existing programs operated by the Authority and its member municipalities. Approximately 26,000 tons per year of source-separated organic wastes are currently tipped at JCLF from existing programs operated by the Authority and its member municipalities. Approximately 80 percent of this feedstock consists of leaves and grass, brush and tree trimmings, and garden debris. The remaining 20 percent (approximately) consists of clean wood waste.

The Authority contracts with Recology to operate the current organics program and it consists of grinding, screening and the production of overs and fines products. Fines are shipped to local contractors and Overs are used as alternative daily cover. Overs will not be allowed for use as daily landfill cover under the new agreement.

Curbside collection services for green waste are provided by the Authority's member municipalities directly or through agreements with private sector contractors. The Authority itself does not provide collection services to residents, but it does administer collection contracts on behalf of its members.

FOOD WASTE

A waste characterization study conducted in 2007 identified food waste as a large component of our waste stream. The study estimates that 35,780 tons of food is being landfilled.

The Authority and Republic have established a small restaurant pilot project to learn the collection requirements, educational elements and cost in order to plan how to design an Authority-wide food collection program.

The pilot project collects about fourteen tons per month and hauled to local composters for processing.

The Authority would accept as part of the bid proposal, a separate bid for processing food waste and a description of the approach to not only process the current tonnage generated by the pilot project but also up to 10,000 tons per year of food waste.

ADDITIONAL FEEDSTOCKS

The Authority will also accept a separate bid proposal item for the processing and management of bio-solids. Annual tonnage is not known at this time, but future quantities could range from 1,000 to 25,000 tons per year based on the pricing and marketing plan.

ORGANICS RESIDUAL MANAGEMENT

The Authority recognizes that residual types and amounts will be influenced by the curbside collection franchise program. However, the Proponent will be expected to manage all residuals resulting from the processing operations of curbside yardwaste/woodwaste collection. The residuals should be limited to contaminants removed by the contractor from the delivery, processing and marketing of the organic wastes.

AVAILABLE PROPERTY

The JCLF is located in central Monterey County on Johnson Canyon Road, approximately two

miles east of Gonzales. The landfill footprint encompasses approximately 80 acres.

Currently an area located on the north-eastern portion of the landfill is utilized by an existing organics processing operation at JCLF. This operation will cease at the outset of the contract executed under this RFP. This area currently has no utility services and there is no water source on the property. Storm water infrastructure and management will be the responsibility of the Proponent.

The JCLF is permitted for organic waste processing, but not composting; however, the Authority will obtain all of the necessary State and local permits amendments, if necessary, for hosting of the organics processing and diversion operation. The permits will be in the name of the Authority.

GREYWATER REUSE OPPORTUNITY

Approximately 200,000 gallons per day of greywater is produced at a winery operation adjacent to the Johnson Canyon Landfill. Initial discussions between the Authority and the winery indicate that all or a portion of this greywater could be diverted to an organics processing operation at the landfill to provide water for dust control particularly during grinding operations. If required, the Authority will commit to installing the necessary infrastructure to transfer the greywater to the processing operation and to providing storage (if necessary). This water may require treatment and approval of the State Water Board before it is reused (which is not the responsibility of the Proponent).

At this time the winery and the Authority agreement is under discussion.

DIVERSION SERVICES

Currently all of our small waste generator customers or self-haul must drop their waste at the working area of the landfill. This procedure allows for small recycling opportunities since the working area changes every day and therefore a permanent recycling station for our customers is difficult to provide.

However, the Authority has decided to eliminate self-haul from unloading their waste at the working area of the landfill and instead provide an outdoor self-haul drop off area near the entrance of the facility.

The area includes a square paved area of 60 X 100 square feet where the self-haul drop-off operation will be installed. The Authority will be responsible for developing the public drop-off area.

The responsibility of the Proponent is to assist our self-haul customers recycle and learn to separate their recycling materials from the waste, with an emphasis on diverting additional organics and wood waste, as well as other common recycling items defined below. This is an important function of the Proponent since a recently approved Authority's ordinance requires our customers to separate any recycling materials from the trash.

The Proponent is responsible for directing and assisting our customers with recycling using bunkers, containers or areas for the following items:

- Greenwaste
- Woodwaste
- Mix Paper
- Cardboard
- Metal
- Electronic and universal waste
- Plastics
- Glass
- Mattresses
- Anti-freeze, oil and paint
- Household hazardous waste
- Construction and demolition material

The Authority, or their designee, will be responsible for moving and weighing the trash to the face of the landfill. The Authority will market the non-organic recycling materials and earn the revenue generated from the materials.

TERM OF THE AGREEMENT

It is the intent of the Authority that receipt of organic materials by the Proponent will commence in July 2010 or a mutually agreed-upon date.

The Authority further intends to enter into an agreement with an initial term of at least two years, with the Authority having the option to extend the contract for two additional one-year increments. Proponents should identify alternate contract terms.