

City of Philadelphia – Streets Department

Overview Transfer and Disposal RFP Selection of Contractors



RFP Process

- Posted RFP on eContract Philly October 2011
- Proposals Received December, 2011.
- Evaluation of Proposals – Meet Minimum Qualifications Criteria
- Initiated Negotiations with three Proposers (February 2012)
 - Waste Management of PA
 - Covanta 4Recovery
 - Republic Services
- Final Price Proposals Submitted March, 2012.
- Evaluation and Selection New Disposal System April 2012
- Prepare Draft Contracts for Consideration by City Council May 2012

Overview of RFP

- Submittal Requirements
 - \$100,000 Proposal Security
 - Economic Opportunity Plan
 - Financial Qualifications
 - Permits and Environmental Sustainability
 - Cost Proposal

- Scope of Work - Three Alternatives
 1. Transfer and Disposal (in City Transfer sites only)
 2. Direct Disposal from City's Northwest Transfer Station
 3. Alternative Waste Processing

General Requirements

- All Transfer Stations and Disposal Sites must be Permitted and Capable of Accepting Waste on July 1, 2012, However an Alternate Implementation Schedule may be Proposed for Alternative 3 Proposals
- All Transfer Stations and Disposal Sites must be Capable of Accepting a Minimum of 300 TPD
- All Transfer Stations Must be Located within the City of Philadelphia
- Alternative 2 Disposal Sites must be within 50 Miles of the City's Northwest Transfer Station
- Contract Term 4 Year Base Term with 3 One Year Renewal Terms. An Alternate may be Proposed for Alternative 3 Proposals Only
- Vehicles shall be processed within 20 minutes of entering a Transfer Station and within 30 minutes of entering a Disposal Facility

Recommended Disposal System

Location of Waste Transfer and Processing Facilities



Costs

Total Disposal Costs 7 years: \$ 256 million
Year 1 cost \$36.7 million

Facilities

Waste Management 1,750 tons per day

- Forge Transfer Station
- SpecFuel Plant
- 36th Street Transfer Station

Covanta 550 tons per day

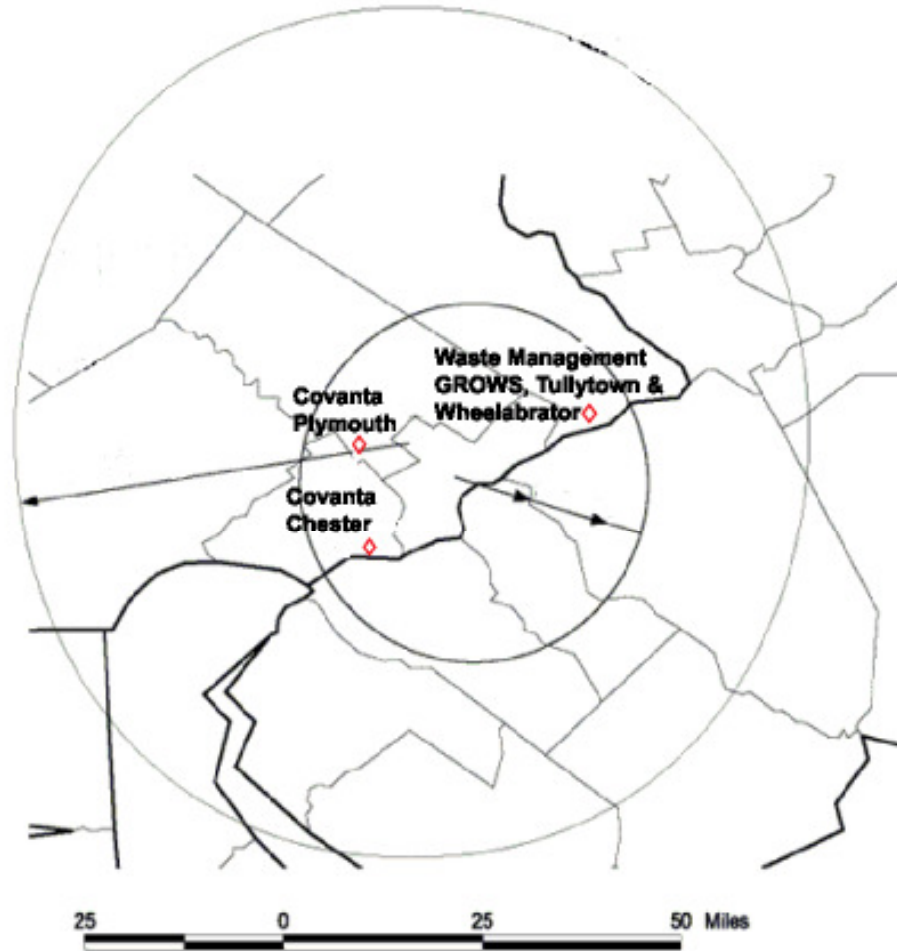
- 58th Street Transfer Station
- Chester WTE Plant accepts NWTS

Rewards

Budget Savings – \$69 million over 7 years

Offers Innovative Waste Processing Option.
No waste is directly sent to a Landfill.
Offers cost effective transfer options with no added operational costs

Disposal Sites City of Philadelphia Disposal Contracts FY 13-19



Note Disposal Site Location are
Approximate and not Geocoded

Processing and Disposal Waste Management of PA

- 550 to 1,250 tons per day to be processed at the Wheelabrator Waste to Energy Plant
- 500 tons to 1,200 ton per day to be processed at the new SpecFuel Plant

Special Engineered Fuel Processing Facility

- The WM SpecFUEL™ facility is proposed to be fully operational by Summer 2013, and is anticipated to add 25 new local jobs at the complex.
- WM uses certified MBE/WBE firms to haul 100% of all waste to and from each of the WM Philadelphia transfer stations to Wheelabrator, GROWS, Tullytown facilities.
- Once the WM SpecFUEL™ plant is operational, 100% of the transportation of the SpecFUEL™ pellets will be handled by certified MBE/WBE firms, as well.

Sustainability

- By adding the SpecFuel processing system to the existing Forge transfer station, 55 - 80% of the municipal solid waste received at the transfer station, can be diverted through the processing, rather than being transported directly to a disposal facility, to create a new alternative fuel product.
- Potential markets for the fuel product include:
 - Clean supplemental fuel source for electrical power plants that use coal as a fuel source
 - Clean supplemental fuel source for cement kilns



Economic Benefit to the City of Philadelphia

- WM will invest approximately \$22 million in the construction and startup of the new PEF facility at The Forge complex.
- The WM SpecFuel™ facility will add 25 new local full-time jobs at the complex.
- WM pays various taxes to the City of Philadelphia for each of its facilities: The Forge, Philadelphia Transfer Station, and Philadelphia Material Recovery Facility. Those taxes include: Payroll Tax, Income Tax, Tax on Gross Receipts, Building Use & Occupancy Tax, Real Estate Tax, and Sales Tax.
- WM's current tax benefit to the City is approximately \$1.25 million per year.
- By constructing and operating the WM SpecFUEL™ facility within Philadelphia, the City could receive an additional \$1.5 million of tax revenue per year. That will more than double the total tax revenue and economic benefit from WM to the City of Philadelphia.

Covanta 4Recovery

- 300 tons per day of waste transferred from the 58th Street Transfer Station will be directed to the Covanta's Delaware County Resource Recovery Facility
- 250 tons per day transferred from the City's Northwest Transfer Station will be directed to either Covanta's Delaware County Resource Recovery Facility or its Plymouth Meeting Resource Recover Facility.

Benefits of Waste to Energy

- Covanta Delaware County Plant
 - 90 MW electric turbine generates electricity equal to the power required for about 70,000 homes
 - Recovers 40,000 tons of ferrous and non-ferrous metal per year
- Covanta Plymouth Plant
 - 32 MW electric turbine generates electricity equal to the power required for 25,000 homes
 - Recovers 7,000 tons of ferrous metal
- Waste Management's Wheelarator Falls Township Plant
 - 53 MW electric turbine generates electricity equal to the power required for 40,000 homes
 - Recovers 13,500 tons of ferrous metal

EOP Plans

- Waste Management of PA
 - Over \$6.4 million per year
 - 100% of all hauling service to be performed by a certified minority firms equal to 25% to 50% of the Contract value
 - MBE Firm TAC Transport, LLC
 - WBE Firm WB Services, LLC
- Covanta 4Recovery
 - Over \$1.2 million per Year
 - 100% of all hauling service to be performed by a certified minority firms equal to 25% to 50% of the Contract value for waste delivered to the 58th Street Transfer Station
 - MBE Firms
 - Caribbean Operators, Inc.
 - TAC Transport, LLC
 - WBE Firms
 - WB Services LLC
 - VMX International

Disposal Rates Waste Management of PA

Disposal Rate for Municipal Waste

- **Fiscal Year 2013 Disposal Rate \$57.95 per ton for Municipal Solid Waste Accepted at the Philadelphia Transfer Facility and Recycling Center, Forge Transfer Facility, and SpecFuel Facility.**

Disposal Rates for Special Waste

- **Fiscal Year 2013 Disposal Rate \$57.95 for delivery of Residual Waste to the GROWS Landfill and Tullytown Landfill**

Escalation Rates

- **Fiscal Year 2014 – 2019 rates shall be escalated for each year using the formula provided below:**
- **Using the month of April as the base index for the Consumer Price Index (CPI) All Urban Consumers – US. The annual change in the CPI index multiplied by 75%. This annual escalation rate shall be capped at 3%.**

Disposal Rates Covanta 4Recovery

Disposal Rates for Municipal Waste

- **Fiscal Year 2013 Disposal Rate \$61.50 per ton for Municipal Solid Waste Accepted at the 58th Street Transfer Station.**
- **Fiscal Year 2013 Disposal Rate \$54.00 per ton for Municipal Solid Waste Accepted at the Delaware Valley Resource Recovery Facility.**
- **Fiscal Year 2013 Disposal Rate \$58.00 per ton for Municipal Solid Waste Accepted at the Montgomery County Resource Recovery Facility.**

Escalation Rates

- **Fiscal Year 2014 – 2019 rates shall be escalated for each year using the formula provided below:**
- **Using the month of April as the base index for the Consumer Price Index (CPI) All Urban Consumers – US. The annual change in the CPI index.**

Disposal Costs

- Total Disposal costs for Fiscal Year 2013: \$34.7million, a \$8.4 million decrease from Fiscal Year 2013 budget a 19% decrease
- Total Disposal Costs for 7 year Contract term \$256 million. a \$69 million decrease from budgeted disposal costs
- Waste Management Contract Fiscal Year 2013 costs: \$26 million
- Covanta Contract Fiscal Year 2013 costs: \$8.7 million.