

Seattle Public Utilities and Neighborhoods Committee

2014 REQUEST FOR PROPOSALS FOR RECYCLING PROCESSING

SPU's processing contract with Republic Services began in April 2009 and ends in March 2016 (with a City option to extend to April 2019). SPU plans to solicit proposals later this year for services beginning in April 2016.

A. Background

1. Seattle's 'downstream' processing and disposal services are contracted separately from Seattle's waste collection contracts.
2. The recycling processing contract covers mostly residential recycling. Most of the commercial recycling is handled by a variety of open market vendors.

B. Draft RFP schedule

Release draft RFP and terms	9/30/14
Vendor feedback	10/15/14
Release final RFP and terms	10/24/14
Proposals submitted	12/2/14
Select vendor(s)	2/6/15
Final terms	3/31/15
Authorized and signed	6/15/15
Service begins	4/1/16

C. Proposed RFP evaluation Criteria

1. 65% for price and system cost impacts
2. 15% for proposed processing operations
3. 10% for vendor experience with processing, proposed systems and commodity sales
4. 10% for support for workforce, diversity and sustainability

D. Waste volume and sources

1. Covers all recycling collected under City contracts (82,000 tons/year)
2. Will include recycling tons from City station roll-off boxes (1,000 tons/year)
3. Does not include most commercial recycling – collected in open market
4. Will allow prices for 50% and/or 100% of recycling stream

E. Term & location

1. Require 5-year and 10-year prices. Five-year term ends March 2021 (plus City options to 2024 & 2026). Ten-year term ends in March 2026. SPU collection contracts end in 2017, 2019 or 2021.
2. Require receiving within Duwamish industrial area with trans-load & hauling to regional facility allowed

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F. Materials processed

1. Retain all current recycling materials
 - All paper and cardboard, including shredded paper
 - All plastic bottles, jars, cups, food containers and lids (all 1-7, but no foam)
 - Poly-coated paper and aseptic packaging
 - Plastic bags (bagged)
 - All metal cans and all glass bottles/jars
 - Pots, pans, foil containers, and small scrap metals
 - Plastic plant pots and buckets
 - E-waste and used motor oil (separate from cart)
 - Used recycle and waste carts
2. Continue challenging materials such as glass, shredded paper, plastic bags, and low value plastics.
3. Retain option for bagged textiles. Consider adding used cooking oil (next to cart).

G. Alternatives

1. Encourage proposers to submit alternatives that reduce City costs, increase recycling, enhance sustainability or improve services.
2. Require alternative proposals be in additional to proposal for base terms.

H. Performance

1. Continue damages if facility exceeds overall residual standards.
2. Discontinue targets without penalties for bale contamination & recyclables in residual. These are enforced by market buyers and difficult for City to monitor.
3. Continue incentives for high value end markets, with damage if targets are not met – such as 50% or more of Cardboard, HDPE/PET, and Glass sold to high value markets.
4. Continue fees for slow turn times (over 15 minutes) and damages if truck wait is over 3 hours.

I. Payment terms

1. City will continue to own the commodity market risk to avoid paying a risk premium in processing fee, but will revise prior method of paying net processing fee per ton and gaining or losing only the changes in market indices.
2. City will now pay gross processing fee per ton and receive credit for full market index values. This should have no net impact on payment but could provide simpler, more transparent, and potentially more competitive pricing for City and vendors.

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3. The new gross method has no impact on local taxes and provides slight savings in state taxes.
4. Gross processing fee adjusted annually at 50% CPI inflation
5. Payments per pound for E-waste processing. No payments for processing motor oil or recycle carts

J. Wages & benefit requirements

1. Continue City-specified living wages, permanent employment, and benefit requirements for staff, including primary sorters.
2. Benefits at or above Affordable Care Act requirement for permanent employees.
3. Use living wages for primary sorters from current contract, with CPI inflation for 2019 and beyond, at or above Seattle's minimum wage:

Year	Sorter Wages in Current Contract		Seattle Minimum Wage	
	New employees	Empl. w/ 2+ years	With Benefits	Without Benefits
2016	\$13.93	\$17.40	\$12.50	\$13.00
2017	\$14.14	\$17.67	\$13.50	\$15.00
2018	\$14.35	\$17.93	\$15.00	\$15.36

4. Contractor must comply with standard non-discrimination and other mandatory City provisions and comply with all new laws and regulations without seeking additional compensation from SPU.