City of Phoenix

Report

267631

Agenda Date: 10/12/2022, **Item No.** 65

Materials Recovery Facility Operations and Materials Marketing - Requirements Contract - RFP 23-SW-006 (Ordinance S-49059)

Request to authorize the City Manager, or his designee, to enter into an agreement with Balcones Resources, Inc. to provide the Public Works Department with operation and maintenance of the North Gateway and the 27th Avenue Material Recovery Facilities (MRFs) and marketing of recovered materials for a five-year period commencing on or about Feb. 1, 2023, for North Gateway and Sept. 1, 2023, for 27th Avenue. Further request to authorize the City Controller to disburse all funds and City Treasurer to accept all funds related to this agreement over the life of the contract.

Summary

The Contractor's obligation will be to operate the City's North Gateway and 27th Avenue MRFs. This includes processing single stream recycling to meet market specifications and creating economic value by marketing, selling, and shipping the recyclable material (commodities) to various markets. Currently, approximately 130,000 tons of recyclables are processed annually. The material processed at these sites are received from the City's curbside recycling program, City facilities and other municipalities. The commodities include aluminum, steel cans, various plastics, mixed glass, cardboard, and paper. The contractor will also maintain the MRF equipment and provide all staffing, materials, supplies, and equipment required of MRF operations.

Procurement Information

Request for Proposal (RFP) 23-SW-006 was conducted in accordance with Administrative Regulation 3.10. Five proposals were received on July 13, 2022. The offers were evaluated by a panel that included representation from the Public Works Department, City of Tucson, and City of Glendale. The offers were evaluated based on criteria set forth in the RFP with 1,000 maximum points possible.

Allied Waste Systems, Inc., Republic Services: 736 points
Balcones Resources, Inc.: 873 points
CellMark, Inc.: 735 points
GFL Environmental/Transit Waste, LLC: 811 points
Recology, Inc.: 827 points

The evaluation panel recommends the offer from Balcones Resources, Inc. to be accepted as the responsive and responsible offer with the highest point value received.

Contract Term
The term of this contract is for five years and will commence on or about Feb. 1, 2023, for North Gateway and Sept. 1, 2023, for 27th Avenue. Provisions of the contract include an option to extend the term up to five years, to be taken in one-year increments, which may be exercised by the City Manager or designee.

Financial Impact
The estimated operating cost over the 10-year contract is approximately $158,903,000 based on historical trends and highest forecasted processing rate, and it also assumes tonnage growth and CPI adjustments. Revenue will be generated by the sale of commodities, which will fluctuate depending on market conditions. Actual usage, fees, and revenues from this contract may be higher or lower depending on recycling tonnage collected and commodities markets.

Funding is available in the Public Works Department's budget.

Location
North Gateway MRF - 30205 N. Black Canyon Highway
27th Avenue MRF - 3060 S. 27th Ave.
Council Districts: 2 and 7

Responsible Department
This item is submitted by Deputy City Manager Karen Peters and the Public Works Department.