

## **STAFF REPORT**

### **IN CONSIDERATION OF RESOLUTION NO. 17-4821, METRO COUNCIL, ACTING AS THE METRO CONTRACT REVIEW BOARD, FOR THE PURPOSE OF AUTHORIZING AN EXEMPTION FROM COMPETITIVE BIDDING AND AUTHORIZING PROCUREMENT BY REQUEST FOR PROPOSALS FOR FOOD WASTE PROCESSING SERVICES**

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Date: July 20, 2017

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## **BACKGROUND**

Metro is responsible for solid waste planning within the region through implementation of the Regional Solid Waste Management Plan (RSWMP) and other policies, programs, and actions. City and county governments are primarily responsible for development and implementation of local collection programs, with collection services provided by franchised, permitted or otherwise regulated privately-owned haulers.

The RSWMP identified commercial food waste as a priority area of focus reflecting the significant quantity of this material remaining in the region's waste stream, and the potential environmental and economic benefits of recovery. Over 206,000 tons of food waste was sent to landfills from the region in 2010, which represents 18 percent of the disposed waste stream. Metro estimates that 55 percent of disposed food waste is generated by the commercial sector and 45 percent by the residential sector. The goal of collecting food waste is to capture the environmental and economic benefits of turning that material into useful products, returning nutrients to the soil, creating energy, supporting agriculture and reducing the negative environmental impacts associated with disposal. Annually 28,000 tons of commercially-derived source separated food waste is currently delivered to private and public transfer stations. Metro seeks processing capacity to recover 50,000 tons per year of food waste from the commercial sector with a preference for a facility located in or closely proximate to the Portland Metro area.

Metro wishes to ensure that the region manages food waste in a manner that protects human health and the environment while providing good value for the public's money. Increasing the recovery of food waste reflects Metro's commitment to the highest and best use of materials by getting both nutrient and energy value from food waste while remaining adaptive and responsive in managing materials now and in the future and making services available to all types of customers.

On January 22, 2016 Metro issued a Request for Qualifications (RFQu) in order to pre-qualify firms to provide food waste processing services to the region. Thirteen firms responded and on April 7, 2016, Metro pre-qualified nine (9) of those firms.

On May 25, 2017 Metro issued a Request for Proposals (RFP) for food waste processing services to secure capacity to process 50,000 tons per year of source-separated commercial food waste in an economically and environmentally sound manner to produce energy and/or agricultural supplements. Recognizing the unique aspects of this project, staff determined that the public would benefit if respondents could propose the type of financing arrangement that they felt would best meet Metro's project objectives including a public-private partnership, private-only financing, or public-only financing. Because of the opportunity for financing flexibility in this RFP, the procurement may result in the award of a contract that includes a publically-financed construction project. In order to be prepared for this possible outcome, staff is requesting an alternative to the Request for Bid requirement for publically-financed construction projects.

The resolution and attached findings describe the specialized nature of this technical and unique project. Based on these findings, staff believes that a value- and experience-based selection process (RFP) is more appropriate than a traditional, RFB competitive bid (which looks solely at lowest bid price) and

will result in a more beneficial result for Metro and the region.

#### **ANALYSIS/INFORMATION**

1. **Known Opposition:** None known.
2. **Legal Antecedents:** Oregon Revised Statutes 279C.335; Metro Local Contract Review Board Rule 49-0600 through 49-0630.
3. **Anticipated Effects:** Procurement process will be open and competitive, but items other than cost will be considered in the awarding of the contract. Increased use of COBID certified subcontractors is anticipated.
4. **Budget Impacts:** The alternative procurement process offers safeguards for cost control of the project, including involvement by the construction contractor from the design phase through construction documents and construction cost development process, as well as limiting change orders.

#### **RECOMMENDED ACTION**

Approve an exemption from competitive bidding, authorizing Metro to procure the Food Waste Processing Services Contract through an RFP.