

Item Title: Approval of Two Multi-Year Contracts for Recycling Processing Services for (1) Commingled Recycling and (2) Cardboard and Rigid Plastic Recycling

Specific Action Requested:
That the Board of Commissioners:

- 1. Approves five-year agreements with:**
 - **Waste Management Recycle America for processing commingled recycling**
 - **Sonoco Recycling, LLC for processing cardboard and rigid plastic recycling**
- 2. Authorizes the County Manager to execute contracts on behalf of Wake County for these services, subject to the terms and conditions acceptable to the County Attorney.**

Item Summary:

The Solid Waste Division of Environmental Services provides recycling and waste disposal services for Wake County residents for a variety of materials. As part of providing those services, Solid Waste contracts with vendors to process the recycled material received at our convenience centers and multi-material facilities and market the material to end users which in turn provides revenues to the solid waste enterprise fund.

BACKGROUND

Since 2011, Wake County has contracted with Waste Management Recycle America to process commingled, cardboard and rigid plastic recyclable material. That contract is set to expire June 30, 2017. During the 6 years of the contract, Waste Management has processed over 70,000,000 pounds of recyclable material from Wake County Solid Waste facilities and Wake County has earned over \$1,525,198.00 in revenue from the materials.

On April 3, 2017, Wake County issued a Request for Proposal (#17-035) for the processing and marketing of recyclable materials. The RFP was due on April 19, 2017. Wake County received responses from two firms: Sonoco Recycling and Waste Management Recycle America.

SELECTION PROCESS

A selection committee, consisting of 5 members, three from Wake County, 1 from the Town of Cary and 1 from the Town of Fuquay-Varina evaluated the proposals. The committee members individually reviewed the proposals prior to the evaluation committee meeting. The committee utilized a forced choice matrix and also conducted interviews with representatives from each company (Sonoco Recycling and Waste Management Recycle America). When the committee considered this as a single contract, the results of the evaluation was a tie. Ultimately the committee decided to evaluate based upon each material currently collected separately and were able to

distinguish between vendors. Below is a brief summary of the selection committee's determinations by criteria:

1. Proposed Pricing by Material: Based on the Pricing Sheet provided by the vendors (Attachment 1).
 - a. Commingled Recycling: Waste Management Recycle America offered the favorable pricing for this material, with a processing cost of \$60 per ton and revenue share of 80% of the material value. Sonoco Recycling offered a processing cost of \$65 per ton and only 65% revenue share of the material value. The committee ranked Waste Management Recycle America higher on this criterion.
 - b. Cardboard Recycling: Sonoco Recycling offered the favorable pricing for this material, with a processing cost of \$17.50 per ton and revenue share of 100% of the material value. Waste Management Recycle America offered a processing cost of \$20.00 per ton and 100% revenue share of the material value. The committee ranked Sonoco Recycling higher for this material pricing criterion.
 - c. Rigid Plastics Recycling: Sonoco Recycling offered the favorable pricing for this material, with a processing cost of \$65.00 per ton and revenue share of 75% of the material value. Waste Management Recycle America did not offer any revenue for this material. The committee ranked Sonoco Recycling higher for this material pricing criterion.
2. Vendor Equipment, Facilities, Materials and Approach: In careful evaluation of the vendor proposals, the committee determined that Sonoco Recycling's equipment was superior to Waste Management Recycle America, while Waste Management Recycling America's approach to processing commingled materials which allows them to provide specific composition data was superior to Sonoco Recycling. Both vendors have comparable facilities and acceptable materials processing. Both companies were weighted equally for this criterion.
3. Vendor Financial Strength and Stability: In careful evaluation of vendor proposals, the committee determined that each company had the financial strength and stability to meet the requirements as outlined in the scope of work for this RFP; Waste Management Recycle America is a larger company with \$13 billion in annual revenue, but Sonoco Recycling is a strong company in the Carolina's and has made significant investments in its Raleigh facility over the past 5 years. Both companies were weighted equally for this criterion.
4. Vendor Qualifications and Experience: In careful evaluation of vendor proposals and company interviews, the committee recommended equal scores for qualifications and experience. Both vendors met the minimum qualifications and have over 20 years of experience processing recyclables in Wake County.
5. Vendor Compliance, Permits and Safety Record: In careful evaluation of vendor proposals, the committee determined that each company had similar favorable responses for compliance, permits and safety records and therefore ranked the companies equally for this criterion.

RECOMMENDATION

Based on the above evaluation and after careful consideration of both vendor proposals, the evaluation committee unanimously recommends that Waste Management Recycle America process commingled recyclable materials and Sonoco Recycling process cardboard and rigid plastic recyclable materials from Wake County Solid Waste facilities (Attachments 2 & 3). All three materials (commingled, cardboard and rigid plastic) are collected separately at our facilities, so there is minimal impact to our operations to allow this to occur. Both vendors have indicated in writing an acceptance of an arrangement that allows the County to separate this RFP into 2 separate contracts.

Attachments:

1. Pricing Sheet
2. Sonoco Processing Contract
3. Waste Management Processing Contract