

**CITY OF AUSTIN – AUSTIN RESOURCE RECOVERY
SCOPE OF WORK
ORGANICS PROCESSING SERVICES – PILOT PROGRAM
INVITATION FOR BID – BEST VALUE (IFBBV)**

1.0 PURPOSE

This Invitation for Bid (Best Value) is to establish a pilot program service contract for 12 months with up to two (2) 6-month extension options with one (1) or more established vendor(s), hereinafter referred to as “Contractor,” who can provide organics processing, materials marketing, residual disposal services, and data reporting. This contract will be utilized by the Austin Resource Recovery (ARR) Department of the City of Austin, Texas, hereinafter referred to as “the City.”

2.0 BACKGROUND

The City is soliciting bids from qualified Contractors who can provide complete organics processing services to support the City’s proposed residential curbside organic material collection pilot program which will be conducted in Fiscal Year 2012-2013. The City reserves the right to select one or more organics processing Contractors based on each Contractor’s level of diversion and location.

The pilot program collection area will serve a small percentage of the City’s residential customers and is expected to generate approximately 2,000 tons of organic material over a period of twelve (12) months during the pilot program. The purpose of the pilot program is to ensure that yard waste, comingled with food scraps and food/oil soiled compostable paper, can be adequately composted for end-use markets. It will also provide the City an opportunity to evaluate the staffing and routing requirements needed to fully implement the program. It is anticipated that the pilot program will last approximately one (1) year, but may be extended if deemed necessary by the City. Upon successful completion of the pilot program, a new organics processing services solicitation will be conducted and there will be a two-year City-wide roll-out of the residential curbside organic material collection program. Anticipated annual volumes of organic material (yard waste, food organics, and food/oil soiled compostable paper) collected through the roll-out period are as follows:

- Fiscal Year 2012-2013 – 2,000 Tons (Pilot Program)
- Fiscal Year 2013-2014 – 8,200 Tons
- Fiscal Year 2014-2015 – 20,000 Tons
- Fiscal Year 2015-2016 – 45,200 Tons (Full City-Wide Implementation)

Currently, the City collects approximately 30,000 tons of yard waste each year. Residential customers place yard waste at the curb on their weekly collection day using their own containers and/or compostable paper bags, and tying small

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branches and limbs into bundles. City crews collect yard waste material five (5) days per week with rear loading collection trucks and deliver the material to the Hornsby Bend Bio-Solids Facility for grinding and eventual incorporation into Dillo Dirt. The City proposes to collect yard waste, including food scraps and food/oil soiled compostable paper, utilizing City-supplied 64-gallon and 96-gallon carts. This service enhancement is being proposed in order to help the City move toward the Zero Waste Goal of reducing the amount of waste sent to the landfill by 75 percent by 2020, and by 90 percent by the year 2040. The addition of food scraps and compostable paper to the organic material collection stream is expected to generate more than 45,000 tons of organic material collected each year after full implementation of the program.

3.0 PROPOSAL REQUIREMENTS

In addition to the Bid Sheet (Section 0600), the following documents should be submitted as part of the bid response.

A. Technical Proposal

Each Contractor shall submit a Technical Proposal that addresses the organics stream discussed below. Proposals shall include information on the ways in which the Contractor will address the City's Zero Waste Plan. The Contractor must demonstrate the ability to process and market all organics received at their facilities.

Organics stream will include yard waste (leaves, grass clippings, small brush/limbs, etc.), food/oil soiled compostable paper, and food scraps (including meat, dairy, vegetables, bones, etc.).

Technical Proposal must include the following information:

- i) Names and addresses of all processing facilities.
- ii) Names of facility owners and operators.
- iii) Copies of facility permits.
- iv) If applicable, copies of any TCEQ (or other governmental agency) inspection reports since January 1, 2009.
- v) Capacity information pertaining to facilities.
- vi) Operational hours and observed holidays.
- vii) List of types of materials accepted for composting.
- viii) List of types of materials NOT accepted for composting.
- ix) A description of the method used for testing and accepting new compostable products.

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- x) Annual average residual rates for all organics processed at all identified processing facilities from the past three (3) years.
- xi) Plan for how and to whom materials will be marketed.
- xii) Description of how incoming vehicles and their weights will be reported.
- xiii) Description of how contamination will be documented.
- xiv) Description of billing and invoicing methods.

The following is a list of examples of compostable materials to be addressed in the Technical Proposal for item vii) above. This list is provided for reference only and should not be considered all-inclusive.

Meat:

- Deli Meats, Sandwiches
- Raw Meat and Poultry
- Meat Trimmings and Renderings

Dairy:

- Empty Paper Milk Cartons
- Cheese and Dairy Products

Vegetable:

- Vegetable and Fruit Materials

Food/Oil Soiled Paper:

- Soiled Paper/Soiled Food Products
- Soiled Paper Cups
- Soiled Paper Plates/Paper Towels, paper Napkins
- Empty Pizza Boxes
- Empty Paper Food Containers

Other:

- Leaves
- Grass Clippings/Lawn and Garden Clippings (no trash or plastic)
- Small Tree Branches
- Shrub/Bush Trimmings/Brush
- All Food Leftovers
- Paper and Cardboard
- Flowers, Plants, Soil
- Coffee Grounds and Filters
- Raw Seafood
- Breads and Bakery Products

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Food Scraps Created When Preparing Meals or Snacks
Inedible Grocery and Frozen Food
Wood Boxes and Wood Pieces
Wet and Waxed Cardboard
Fats, Oils and Greases

B. Contingency Plan

Each Contractor shall submit a written contingency plan to provide for continuity of operations should a processing facility be adversely impacted by a disaster or other event, including the identification of any alternate facilities that may be used.

C. Revenue Share Proposal

Each Contractor shall submit a proposed price basis and methodology for calculation and monthly remittance to the City of a Revenue Share Payment.

D. Experience

Each Contractor shall submit information demonstrating compliance with the minimum qualifications specified below. Proposals that do not meet the minimum requirements shall be deemed non-responsive and will not be considered.

Minimum qualifications are:

- i) At least three (3) years providing organic materials processing services.
- ii) Copy of TCEQ permit (e.g., Compost Facility Permit or Registration or Notice of Intent to Operate a Compost Facility) as applicable for the facility location and the materials processed pursuant to Title 30 Texas Administrative Code.

E. Local Business Presence

If the City receives a competitive sealed bid from a Contractor whose principal place of business is in the Austin Corporate City Limits and whose bid is within three percent of the lowest bid price received from a Contractor who is not a resident of the Austin Corporate City Limits, the City may enter into a contract with the local Contractor.

A firm (Contractor or Subcontractor) is considered to have a Local Business

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Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines 'branch office' as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

4.0 APPLICABLE PERMITS AND LICENSES

The Contractor shall obtain and maintain all permits and licenses to perform all services described herein. All services provided in relation to this agreement, directly and indirectly, shall be in compliance with all laws, ordinances, specifications, rules and regulations for this service as established by the City of Austin, State of Texas, State Board of Health, U.S. Environmental Protection Agency, and any other federal, state or local governmental provisions prevailing during the term of this agreement.

5.0 SELECTION CRITERIA

- A. Total Cost (51 Points)
- B. Technical Proposal (19 Points)
- C. Revenue Share Proposal (5 Points)
- D. Experience (10 Points)
- E. Contingency Plan (5 Points)
- F. Local Business Presence (10)

6.0 CONTRACTOR RESPONSIBILITIES

The selected Contractor shall provide the following services:

- A. Organics processing
- B. Material marketing
- C. Detailed monthly reports
- D. Contaminated material sorting and disposal

7.0 DESCRIPTION OF SERVICES

- A. Organics Processing - The Contractor shall compost the organic material delivered to the identified processing facilities by the City or its designee.

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- i) The City-delivered compostable material shall not be disposed of or intentionally mixed with solid waste under any circumstances.
- ii) The Contractor shall provide a list of materials not acceptable for composting that cause contamination.
- iii) Any occurrence of contamination must be reported to the City's Contract Manager within two (2) business days of delivery of the organic material.
- iv) If the Contractor determines that the material delivered to the processing facility requires sorting after delivery, subject to pre-approval by the City's Contract Manager, the Contractor may charge a sorting/disposal fee to the City as indicated on the Bid Sheet (Section 0600).
- v) A contamination report shall be submitted to the City's Contract Manager for each sorting/disposal fee. The sorting/disposal fee will not be paid without the contamination report.
- vi) The contamination report shall include a description of the contamination, amount of contaminated material, the day the material was delivered to the processing facility, and any other information the Contractor deems necessary to assist the City in taking corrective action.
- vii) Digital photographs of the contamination should be sent with the contamination report. Digital photographs will assist the City in preventing future contamination.

B. Detailed Monthly Reports - The Contractor shall provide a monthly report detailing the tons of organic material delivered from the City's curbside collection program, including the percent of contamination (if any).

8.0 CARBON CREDITS

The Contractor shall make available to the City the net carbon credits earned from organics processing conducted at the processing facilities proportionate to the amount of organic material processed to the total amount of material processed from all sources.

9.0 INVOICE REQUIREMENTS

A. The Contractor shall submit a monthly invoice to the City by the 10th day of each month which details the charges billed under the contract for the previous calendar month to the City of Austin, Austin Resource Recovery, Attn: Accounts Payable, P.O. Box 1088, Austin, Texas 78767.

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- B. The Contractor's monthly invoice shall list, at a minimum, the following information:
- i) The quantity of items or services billed.
 - ii) Prorated billing for all services that are performed for less than the entire month covered by the invoice. Prorated bills shall note the ending and/or beginning date of the new or changed service. The method(s) used by the Contractor to calculate prorated bills is subject to the approval of the City.
 - iii) Data report on the number of tons of organic material processed from the City's curbside collection program.

10.0 ANNUAL ADJUSTMENT OF UNIT PRICES

Unit prices as bid shall remain firm for the first year (12 months) of the initial term of the contract. The unit prices for the second year of this contract (if an extension is exercised) may be adjusted upward or downward. On the effective date beginning the second year of the contract, the unit prices may be increased (or decreased) by the same percent increase (or decrease), if any, as accrued during the designated 12-month period (see below) in the Consumer Price Index – All Urban Consumers, South Region, All Items. A request for a unit price increase must be submitted by the Contractor in writing to the City Purchasing Officer or designee at least ninety (90) days prior to the expiration date of each one-year term. All supporting documentation and calculations must be submitted with the request. Unit price increases shall become effective only if approved in writing by the City Purchasing Officer or designee. (For the purposes of calculating an adjustment, the base rate for the adjustment shall be the unit price in effect on the contract implementation date in the calendar year preceding the year the adjustment is made.)

Designated 12-Month Period for the Consumer Price Index – At the time the Contractor submits a request for an increase in unit prices, the Contractor shall reference the most recent month for which the index (as identified above) has been released by the U.S. Dept. of Labor, Bureau of Labor Statistics, and shall calculate the percentage increase, if any, as accrued for the previous 12 months. However, the aggregate adjustment in the unit prices for any one-year term shall not exceed five percent (5%) of the unit prices in effect during the previous one-year term. Adjustments to unit prices shall be made only in units of one cent (\$0.01). Fractions less than one cent (\$0.01) will not be considered in making the adjustments.

In the event the indices named in this section are discontinued, the successor indices shall replace them. The successor indices shall be those indices that are

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most closely equivalent to the discontinued indices as recommended by the U.S. Dept. of Labor, Bureau of Labor Statistics.

11.0 OMISSIONS

It is the intention of this specification to acquire complete organics processing services of the type described herein, with all necessary components. All items and/or services omitted from this specification which are clearly necessary for the successful operation of the services described herein shall be considered requirements, although not directly specified or called for herein.

12.0 CONTRACT AWARD

This contract will be awarded to the Contractor submitting the responsive bid that receives the highest total score based upon the aforementioned Selection Criteria.