



**Purchasing Service Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 35
AGENDA DATE: Thu 11/18/2004
PAGE: 1 of 2

SUBJECT: Authorize negotiation of a landfill contract with IESI, Fort Worth, TX, for the operation of the City of Austin FM 812 Landfill facility for a term up to the maximum life of the landfill.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT:for Solid Waste Services; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Stephen Aden, Supervising Senior Buyer, 974-2021; Don Birkner 974-1692; Hani Michel, P.E., 974-1962.

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Reviewed by the Solid Waste Advisory Commission

PURCHASING: Best proposal of two proposals received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

The FM 812 Landfill is a municipal solid waste disposal facility owned by the City of Austin Solid Waste Services Department and is located in southeast Travis County, Texas. The City Landfill stopped accepting residential garbage on February 27, 1999, due to the opening of the Austin-Bergstrom International Airport. The City Landfill is currently operating under its existing Type I Permit as a Type IV Municipal Landfill and accepts only construction and demolition material. The facility covers approximately 382 acres at the northwest intersection of FM 812 and FM 973.

There are four privately-owned landfills in the local area, one of which is a Type IV landfill (accepting construction and demolition material only) immediately adjacent to the FM 812 landfill and operated by IESI Corporation. The City has continued to benefit from its landfill even after the opening of the new airport, because retaining the landfill has allowed the Solid Waste Services Department to dispose of tree limbs and other waste generated by storms without paying a tipping fee. However, the Department is not otherwise able to recover its cost of operating the landfill and therefore issued a request for proposals to obtain a more efficient solution for retaining the landfill.

Proposals for management and operation were distributed to nineteen firms. A mandatory pre-proposal conference was held on April 15, 2004, and fourteen firms were represented. On May 20, 2004, two proposals were received by the City - one from IESI and the other from Texas Landfill Management, L.L.C. The proposals were evaluated to determine the following: proposed revenue, production/cost savings, firm qualifications, safety record, environmental history, business plan and technical proposal. Because of its unique location adjacent to the City Landfill, and due to resulting economies of scale, IESI



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was able to offer the City incentives that will significantly reduce the City's future expenditures at the FM 812 Landfill, and yet still provide substantially reduced disposal rates for the City. Based upon the above, the evaluation committee recommended negotiating a contract with IESI. The proposed contract will be brought back to Council before execution.

The Solid Waste Advisory Commission reviewed this RCA. Their resolution is attached.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

RFP NO. SA04300021
PROPOSAL ANALYSIS

- a. Adequate competition.
- b. Notices were sent to three firms. There were no MBE or WBE firms listed under this commodity. Nineteen firms were sent proposals. Two proposals were received and one No Offer.
- c. The two firms that submitted proposals have offices in Austin.

APPROVAL JUSTIFICATION

- a. The proposal submitted by the recommended firm meets the requirements of the request for proposal and received the highest points in the evaluation.
- b. Solid Waste Services concurs with the recommended award.
- c. Advertised in the Austin American-Statesman and the Internet.

EVALUATION MATRIX
MANAGEMENT & OPERATION OF CITY OF AUSTIN'S TYPE IV LANDFILL
RFP NO. SA04300021

EVALUATION FACTORS	JESI AUSTIN, TX	Texas Landfill Management AUSTIN, TX
Revenue Production/Cost Avoidance 45 POINTS	40	11
Corporate Qualification, Reference & Safety/Environmental/Legal History 25 POINTS	22	20
Business Plan & Technical Proposal 25 POINTS	22	16
Other Special Features 5 POINTS	2	0
TOTAL POINTS	86	47

CITY OF AUSTIN
SOLID WASTE ADVISORY COMMISSION

**FM 812 LANDFILL
CORRECTION RESOLUTION**

11/10/04
VOTE: 5-0-1

Motion made by: Lark Anthony

Commissioners Consenting: Tracy Sosa, Gerard Acuna, Charles Crec, Rosemary Wyman

Commissioners Dissenting:

Commissioners Abstaining: J.D. Porter

Commissioners Absent: Mark Sanders, Alex Zwarun

Whereas, it is the opinion of Austin City Council's appointed Solid Waste Advisory Commission (SWAC) that the issues involving the City of Austin's FM 812 Landfill (Landfill) are significant and will greatly impact the citizens of Austin for at least the next 30 years. With this, SWAC cannot at this time unequivocally support Solid Waste Services recommendation to have a *third party management* of the Landfill. This decision is based on limited information from SWS and an erosion of confidence that all options have been, or will be, explored.

Therefore, it is the Solid Waste Advisory Commission's recommendation that the City Council not take action regarding a contractual commitment for the operation and management of the City's FM 812 Landfill. Instead, SWAC strongly recommends that a thorough and comprehensive study be commissioned to analyze all options concerning the City's FM 812 Landfill. The study should be conducted by an independent firm whose objectives would be, but not limited to, the environmental and financial impact of having SWS continue its management of the Landfill, having a third party manage the Landfill, or complete closure and reuse the Landfill's 342 acres. In addition, City Council should commission a task force whose objective would be to develop a twenty-year solid waste management plan.