



DEPARTMENT OF PUBLIC WORKS

**PUBLIC WORKS COMMITTEE OF THE COMMON COUNCIL**

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**DATE:** Tuesday July 17, 2012

**TIME:** 7:30 PM

**PLACE:** Norwalk City Hall, Second Floor, Room 231

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**SPECIAL MEETING**

**AGENDA**

**Public Input**

Public input (Guests at Committee meetings may speak to any item on the agenda. Comments shall be limited to no more than three (3) minutes per speaker.)

**Business**

1. Authorize the Mayor, Richard A. Moccia, to execute an Agreement with City Carting, Inc. for city-wide Municipal Solid Waste Collection services for a period commencing on October 1, 2012 and concluding on June 30, 2023, based on the terms and fee schedule set out in the attached Memorandum dated July 12, 2012. The initial fees for October 1, 2012 – June 30, 2013 will total \$741,703.00. The fees for July 1, 2013 – June 30, 2014 will total \$988,937.00. Thereafter, the fees will increase by 3% annually.

Account No. 0140 28 5258

2. Authorize the Mayor, Richard A. Moccia, to execute a third amendment to the Agreement with City Carting & Recycling, Inc. for Curbside Recycling Collection Services, dated June 30, 2004, in order to extend the term of the Agreement through June 30, 2023 based on the terms and fee schedule set out in the attached Memorandum dated July 12, 2012. The initial fees for October 1, 2012 – June 30, 2013 will combine a base fee of \$665,100.00 and available incentives of \$66,510.00. The fees for July 1, 2013 – June 30, 2014 will combine a base fee of \$872,728.00 and available incentives of \$87,273.00. Thereafter, the fee and incentive will increase by 3% annually. The amendment will incorporate terms relating to single stream recycling to begin on July 1, 2013.

Account No. 0140 43 5298

3. Authorize the Mayor, Richard A. Moccia, to execute a second amendment to the Service Agreement with City Carting, Inc. 'For Transfer Station Operation, Transport And Disposal Services For Municipal Solid Waste' dated August 4, 2008 in order to extend the term of the Agreement through June 30, 2023, based on the terms and fee schedule set out in the attached Memorandum dated July 12, 2012. The initial fees for October 1, 2012 – June 30, 2013 will include a transfer station operating fee of \$562,500.00 and transport and disposal fee of \$83.90 per ton. The fees for July 1, 2013 – June 30, 2014 will include a transfer station operating fee of \$750,000.00 and transport and disposal fee of \$85.00 per ton. Thereafter, the transfer station operating fee will increase by 2% annually and the transport and disposal fee will increase by 3% annually.

Account No. 0140 42 5298

**NEXT MEETING: Tuesday August 7, 2012**  
7:30 PM  
Room 231, Norwalk City Hall



DEPARTMENT OF PUBLIC WORKS

MEMORANDUM

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**TO:** Public Works Committee of the Common Council

**FROM:** Harold F. Alvord, P.E., Director

**DATE:** July 12, 2012

**SUBJECT:** **Solid Waste Collection Services**

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The City of Norwalk issued a Request for Proposals (RFP) for Solid Waste Collection Services on May 16, 2012. Ten firms attended a pre-proposal meeting on May 30, 2012. Technical and price proposals were received from two firms on June 19, 2012. Those firms were Finocchio Brothers and City Carting, Inc. Sealed price proposals were secured in the Town Clerk's vault until the proposal evaluation team had reviewed technical proposals, determined qualifications and decided which firms to interview and with whom to potentially open negotiations.

The Norwalk proposal evaluation team consisted of:

Councilman David McCarthy  
Councilman Bruce Kimmel  
Management and Budget Director Bob Barron  
Public Works Director Hal Alvord  
Assistant Corporation Counsel Diane Beltz-Jacobson  
DPW Operations Manager Lisa Burns  
DPW Waste Programs Manager Alison McCrady

At its meeting of June 25, the proposal evaluation team determined both proposing firms to be qualified and decided to invite both firms to interview. Both firms had submitted base price proposals (as required) and both submitted additional value-added alternative proposals (as invited by the RFP). Very productive interviews were conducted on July 2, 2012 and counteroffers were made to both firms. Models were prepared for evaluating the potential savings resulting from a proposed contract(s). The current year in-house costs against which solid waste collection price proposals were evaluated is \$1.8 million.

Both firms met with the proposal evaluation team on July 11, 2012 to discuss the Norwalk counter-offers and their responses to the counters. Negotiations concluded with both firms on July 11, 2012.

Finocchio Brothers decided to stay with its initial price proposal. City Carting proposed the more attractive prices in both its base proposal and its alternative value added proposal and negotiated revisions as a result of the City counter-offer.

The proposal evaluation team recommends the following:

1. A contract with City Carting, Inc. for Solid Waste Collection. Services under this contract would commence on October 1, 2012 and extend through June 30, 2023. The negotiated pricing and terms of the proposed contract are reflected at Tab 1. As reflected in the attached model (Tab 2), the negotiated pricing results in a first full year savings to the City of Norwalk of \$855,328. The annual savings grows each year thereafter. The term of the contract will also align with Norwalk's fiscal year. The contract will include language that provides for reopening the contract in the event of significant changes in Norwalk tonnages or industry trends.

City Carting holds two current contracts with Norwalk, each of which offers additional opportunities to achieve added savings and accomplish other goals such as single-stream recycling. The following have also been negotiated with City Carting, Inc. and are recommended:

2. A third amendment to the current contract for curbside recycling collection services. The current contract, which is for dual-stream recycling, expires on June 30, 2013. There are three (3) one-year options available in that contract and it is highly likely that those options would have been exercised. Terms of the proposed amendment are reflected at Tab 1. The proposed amendment will require the contractor to begin single-stream recycling on July 1, 2013 and provide 64 gallon recycling totes to all properties at its cost. The proposed contract will expire on June 30, 2023. Norwalk will continue to earn recycling revenue at the rate of \$17.50 per ton and, based on the experience of other municipalities, is expected to garner significant additional benefits in the form of increased tonnage of recyclables and decreased tonnage of solid waste. Benefits that accrue from this proposal are reflected in Tab 2 in the sections titled Recycling Collection and Recycling Revenue.
3. A second amendment to the current contract for transfer station operation, transport and disposal services for municipal solid waste. The current contract expires December 31, 2018. The proposed contract will expire June 30, 2023. Terms of the proposed amendment are reflected at Tab 1. Benefits of the proposed amendment are reflected at Tab 2 in the sections titled Transfer Station and Tipping Fee.

The combined benefits to the City of Norwalk with approval of the three proposed contract actions are reflected in the Total Benefit line at Tab 2. The first full year savings is over \$1.2 million. Over the lives of the proposed actions the City of Norwalk will experience cash flow savings of nearly \$17 million. At Norwalk's current discount rate, these savings have a net present value of \$14.5 million. Additional benefits

include transition to single-stream recycling, aligning all contracts with Norwalk's fiscal year, and having known stable and reasonable costs for these essential services over the next ten years.

New contract with City Carting, Inc. for Solid Waste Collection. Contract will initiate on October 1, 2012 and will expire on June 30, 2023.

Fees as follows:

October 1, 2012 – June 30, 2013:	\$ 741,703
July 1, 2013 – June 30, 2014:	\$ 988,937
July 1, 2014 – June 30, 2015:	\$1,018,605
July 1, 2015 – June 30, 2016:	\$1,049,163
July 1, 2016 – June 30, 2017:	\$1,080,638
July 1, 2017 – June 30, 2018:	\$1,113,057
July 1, 2018 – June 30, 2019:	\$1,146,449
July 1, 2019 – June 30, 2020:	\$1,180,842
July 1, 2020 – June 30, 2021:	\$1,216,268
July 1, 2021 – June 30, 2022:	\$1,252,756
July 1, 2022 – June 30, 2023:	\$1,290,338

Third amendment to agreement with City Carting & Recycling, Inc. for Curbside Recycling Collection Services. Time provisions – contract will expire June 30, 2023.

Revenue sharing remains the same at \$17.50 per ton for each year of the contract. The ten percent performance incentive remains in effect. Single stream recycling will begin on July 1, 2013. The contractor will provide recycling toters to all properties at its cost.

Fees as follows:

	<u>Base</u>	<u>Incentive</u>	<u>Total</u>
October 1, 2012 – June 30, 2013:	\$ 665,100	\$ 66,510	\$ 731,610
July 1, 2013 – June 30, 2014:	\$ 872,728	\$ 87,273	\$ 960,000
July 1, 2014 – June 30, 2015:	\$ 898,909	\$ 89,891	\$ 988,800
July 1, 2015 – June 30, 2016:	\$ 925,877	\$ 92,588	\$1,018,464
July 1, 2016 – June 30, 2017:	\$ 953,653	\$ 95,365	\$1,049,018
July 1, 2017 – June 30, 2018:	\$ 982,263	\$ 98,226	\$1,080,488
July 1, 2018 – June 30, 2019:	\$1,011,730	\$101,173	\$1,112,903
July 1, 2019 – June 30, 2020:	\$1,042,082	\$104,208	\$1,146,290
July 1, 2020 – June 30, 2021:	\$1,073,345	\$107,334	\$1,180,679
July 1, 2021 – June 30, 2022:	\$1,105,545	\$110,555	\$1,216,099
July 1, 2022 – June 30, 2023:	\$1,138,712	\$113,871	\$1,252,582

Second amendment to Service Agreement with City Carting, Inc. for Transfer Station Operation, Transport and Disposal Services for Municipal Solid Waste.  
Term – contract will expire June 30, 2023.

Fees as follows:

Transfer station operating fee:

October 1, 2012 – June 30, 2013:	\$ 562,500
July 1, 2013 – June 30, 2014:	\$ 750,000
July 1, 2014 – June 30, 2015:	\$ 765,000
July 1, 2015 – June 30, 2016:	\$ 780,300
July 1, 2016 – June 30, 2017:	\$ 795,906
July 1, 2017 – June 30, 2018:	\$ 811,824
July 1, 2018 – June 30, 2019:	\$ 828,061
July 1, 2019 – June 30, 2020:	\$ 844,622
July 1, 2020 – June 30, 2021:	\$ 861,514
July 1, 2021 – June 30, 2022:	\$ 878,745
July 1, 2022 – June 30, 2023:	\$ 896,319

Transport and disposal fee (per ton):

October 1, 2012 – June 30, 2013:	\$ 83.90
July 1, 2013 – June 30, 2014:	\$ 85.00
July 1, 2014 – June 30, 2015:	\$ 87.55
July 1, 2015 – June 30, 2016:	\$ 90.18
July 1, 2016 – June 30, 2017:	\$ 92.88
July 1, 2017 – June 30, 2018:	\$ 95.67
July 1, 2018 – June 30, 2019:	\$ 98.54
July 1, 2019 – June 30, 2020:	\$101.49
July 1, 2020 – June 30, 2021:	\$104.54
July 1, 2021 – June 30, 2022:	\$107.68
July 1, 2022 – June 30, 2023:	\$110.91

Impact of City Counter Proposal  
**CITY CARTING**

	Partial 10/1/2012 6/30/2013	Year-1 7/1/2013 6/30/2014	Year-2 7/1/2014 6/30/2015	Year-3 7/1/2015 6/30/2016	Year-4 7/1/2016 6/30/2017	Year-5 7/1/2017 6/30/2018	Year-6 7/1/2018 6/30/2019	Year-7 7/1/2019 6/30/2020	Year-8 7/1/2020 6/30/2021	Year-9 7/1/2021 6/30/2022	Year-10 7/1/2022 6/30/2023	
<b>MSW COLLECTION / TRANSPORT &amp; DISPOSAL</b>												
Current Cost	total	\$ 1,349,462	\$ 1,844,265	\$ 1,890,372	\$ 1,937,631	\$ 1,986,072	\$ 2,035,724	\$ 2,086,617	\$ 2,138,782	\$ 2,192,252	\$ 2,247,058	\$ 2,303,235
	escalation		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Proposed Cost	Price per month	\$ 82,411	\$ 82,411	\$ 84,884	\$ 87,430	\$ 90,053	\$ 92,755	\$ 95,537	\$ 98,404	\$ 101,356	\$ 104,396	\$ 107,528
	escalation			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	Number of Months	9	12	12	12	12	12	12	12	12	12	12
	total	\$ 741,703	\$ 988,937	\$ 1,018,605	\$ 1,049,163	\$ 1,080,638	\$ 1,113,057	\$ 1,146,449	\$ 1,180,842	\$ 1,216,268	\$ 1,252,756	\$ 1,290,338
<b>COLLECTION SAVINGS</b>		<b>\$ 607,760</b>	<b>\$ 855,328</b>	<b>\$ 871,767</b>	<b>\$ 888,468</b>	<b>\$ 905,434</b>	<b>\$ 922,666</b>	<b>\$ 940,168</b>	<b>\$ 957,940</b>	<b>\$ 975,984</b>	<b>\$ 994,302</b>	<b>\$ 1,012,896</b>
CASHFLOW SAVINGS		\$ 9,932,713										
NPV @ 2.638332% DISCOUNT RATE		\$ 8,678,365										
<b>RECYCLING COLLECTION</b>												
Current Cost	Collection	\$ 731,610	\$ 982,080	\$ 988,680	\$ 995,324	\$ 1,002,013	\$ 1,008,747	\$ 1,015,527	\$ 1,022,351	\$ 1,029,222	\$ 1,036,139	\$ 1,043,102
	escalation			0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
	Toters (\$1,600,000 @ 2.638%)		\$ 184,120	\$ 184,120	\$ 184,120	\$ 184,120	\$ 184,120	\$ 184,120	\$ 184,120	\$ 184,120	\$ 184,120	\$ 184,120
	total	\$ 731,610	\$ 1,166,200	\$ 1,172,800	\$ 1,179,444	\$ 1,186,133	\$ 1,192,867	\$ 1,199,647	\$ 1,206,471	\$ 1,213,342	\$ 1,220,259	\$ 1,227,222
Proposed Cost	Price per month	\$ 73,900	\$ 72,727	\$ 74,909	\$ 77,156	\$ 79,471	\$ 81,855	\$ 84,311	\$ 86,840	\$ 89,445	\$ 92,129	\$ 94,893
	escalation			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	Number of Months	9	12	12	12	12	12	12	12	12	12	12
	Curbside Collection Costs	\$ 665,100	\$ 872,728	\$ 898,909	\$ 925,877	\$ 953,653	\$ 982,263	\$ 1,011,730	\$ 1,042,082	\$ 1,073,345	\$ 1,105,545	\$ 1,138,712
	Incentive	\$ 66,510	\$ 87,273	\$ 89,891	\$ 92,588	\$ 95,365	\$ 98,226	\$ 101,173	\$ 104,208	\$ 107,334	\$ 110,555	\$ 113,871
	total	\$ 731,610	\$ 960,000	\$ 988,800	\$ 1,018,464	\$ 1,049,018	\$ 1,080,489	\$ 1,112,904	\$ 1,146,291	\$ 1,180,679	\$ 1,216,100	\$ 1,252,583
	Total price per month (incl. toters)	\$ 81,290	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418	\$ 90,041	\$ 92,742	\$ 95,524	\$ 98,390	\$ 101,342	\$ 104,382
<b>RECYCLE COLLECTION SAVINGS</b>		<b>\$ -</b>	<b>\$ 206,200</b>	<b>\$ 184,000</b>	<b>\$ 160,980</b>	<b>\$ 137,115</b>	<b>\$ 112,379</b>	<b>\$ 86,743</b>	<b>\$ 60,181</b>	<b>\$ 32,663</b>	<b>\$ 4,159</b>	<b>\$ (25,361)</b>
<b>RECYCLING REVENUE</b>												
Current Revenue	Volume	4,350	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
	Revenue/ton	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
	total	\$ 76,125	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500
Proposed Revenue	Converted tonnage		1,721	3,441	4,301	4,301	4,301	4,301	4,301	4,301	4,301	4,301
	New Volume	4,350	7,521	9,241	10,101	10,101	10,101	10,101	10,101	10,101	10,101	10,101
	Revenue/ton	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
	total	\$ 76,125	\$ 131,609	\$ 161,718	\$ 176,772	\$ 176,772	\$ 176,772	\$ 176,772	\$ 176,772	\$ 176,772	\$ 176,772	\$ 176,772
<b>RECYCLE REVENUE INCREASE</b>		<b>\$ -</b>	<b>\$ 30,109</b>	<b>\$ 60,218</b>	<b>\$ 75,272</b>	<b>\$ 75,272</b>	<b>\$ 75,272</b>	<b>\$ 75,272</b>	<b>\$ 75,272</b>	<b>\$ 75,272</b>	<b>\$ 75,272</b>	<b>\$ 75,272</b>
<b>TRANSFER STATION</b>												
Current Cost	total	\$ 562,500	\$ 750,000	\$ 750,000	\$ 800,000	\$ 832,000	\$ 865,280	\$ 899,891	\$ 935,886	\$ 973,322	\$ 1,012,254	\$ 1,052,744
	escalation			0.0%	6.7%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Proposed Cost	total	\$ 562,500	\$ 750,000	\$ 765,000	\$ 780,300	\$ 795,906	\$ 811,824	\$ 828,061	\$ 844,622	\$ 861,514	\$ 878,745	\$ 896,319
	escalation			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>TRANSFER SAVINGS</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ (15,000)</b>	<b>\$ 19,700</b>	<b>\$ 36,094</b>	<b>\$ 53,456</b>	<b>\$ 71,830</b>	<b>\$ 91,265</b>	<b>\$ 111,807</b>	<b>\$ 133,510</b>	<b>\$ 156,425</b>
<b>TIPPING FEE</b>												
Current Cost	Volume	12,904	17,205	17,205	17,205	17,205	17,205	17,205	17,205	17,205	17,205	17,205
	Rate	\$ 83.90	\$ 86.00	\$ 87.60	\$ 91.10	\$ 94.74	\$ 98.53	\$ 102.47	\$ 106.57	\$ 110.83	\$ 115.26	\$ 119.87
	escalation		2.5%	1.9%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
	total	\$ 1,082,625	\$ 1,479,630	\$ 1,507,158	\$ 1,567,376	\$ 1,630,002	\$ 1,695,209	\$ 1,762,996	\$ 1,833,495	\$ 1,906,812	\$ 1,983,061	\$ 2,062,360
Proposed Cost	Volume	12,904	15,485	13,764	12,904	12,904	12,904	12,904	12,904	12,904	12,904	12,904
	Rate	\$ 83.90	\$ 85.00	\$ 87.55	\$ 90.18	\$ 92.88	\$ 95.67	\$ 98.54	\$ 101.49	\$ 104.54	\$ 107.68	\$ 110.91
	escalation			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	total	\$ 1,082,625	\$ 1,316,183	\$ 1,205,038	\$ 1,163,615	\$ 1,198,523	\$ 1,234,479	\$ 1,271,514	\$ 1,309,659	\$ 1,348,949	\$ 1,389,417	\$ 1,431,100
<b>TIPPING SAVINGS</b>		<b>\$ -</b>	<b>\$ 163,448</b>	<b>\$ 302,120</b>	<b>\$ 403,760</b>	<b>\$ 431,478</b>	<b>\$ 460,729</b>	<b>\$ 491,483</b>	<b>\$ 523,836</b>	<b>\$ 557,863</b>	<b>\$ 593,644</b>	<b>\$ 631,260</b>
<b>TOTAL BENEFIT</b>		<b>\$ 607,760</b>	<b>\$ 1,255,084</b>	<b>\$ 1,403,104</b>	<b>\$ 1,548,180</b>	<b>\$ 1,585,393</b>	<b>\$ 1,624,502</b>	<b>\$ 1,665,496</b>	<b>\$ 1,708,493</b>	<b>\$ 1,753,589</b>	<b>\$ 1,800,887</b>	<b>\$ 1,850,492</b>
CASHFLOW SAVINGS		\$ 16,802,981										
NPV @ 2.638332% DISCOUNT RATE		\$ 14,572,082										