



# Evaluation Report for Proposals Received to Operate Metro's Transfer Stations

June 2004

Prepared by the:

## **EVALUATION COMMITTEE**

(for RFP #04-1091 SWR)  
on behalf of

## **METRO**

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## Acknowledgements

### Evaluation Committee

Metro wishes to thank the members of the Evaluation Committee that ranked the proposals received in response to Metro's request for proposals to operate Metro's transfer stations (RFP #04-1091 SWR). The committee was comprised of the following individuals:

**Dan Clark**, Wastewater Treatment Manager- Bureau of Environmental Services, City of Portland

**Craig Levie**, General Manager- Transportation Business Development, Port of Portland

**Jerry Powell**, Editor and Publisher- *Resource Recycling*: North America's Recycling and Composting Journal

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## EXECUTIVE SUMMARY

On April 26, 2004, Metro received proposals from four firms to operate its Metro South and Metro Central transfer stations. Oregon Resource Recovery, LLC; Browning Ferris Industries, Inc.; Norcal Waste Systems, Inc.; and Waste Management of Oregon, Inc. submitted proposals. An Evaluation Committee ranked the proposals. The proposal submitted by Oregon Resource Recovery received the highest ranking.

### Background

Metro issued RFP #04-1091 in March 2004 to obtain a replacement contract to operate Metro's transfer stations since the current contract expires in November 2004. The RFP allowed proposals to operate one or both of the stations. Three evaluation criteria described in the RFP (Cost, Material Recovery, and Operation & Maintenance Approach) were to be used to rank the proposal. The ranking was to be done by an evaluation committee.

Metro received four proposals to operate both transfer stations under a single contract. In addition, one firm submitted proposals to operate each station independently. However, since no other firm submitted such proposals for independent operation only the proposals to operate both stations were evaluated.

After an initial review of the proposals, the Evaluation Committee requested clarification of certain aspects of each proposal. The committee utilized this information, together with analysis provided by Metro staff and a consultant, to allocate one hundred points. Summary scores by criterion and the breakdown of points are provided in the following table. No interviews were conducted.

### Scores

**Summary of Scores by Firm by Criterion  
for RFP #04-1091-SWR**

<u>Firms</u>		<u>BFI</u>	<u>ORR</u>	<u>NORCAL</u>	<u>WM</u>
<b>Criterion</b>	<b>Max. Pts</b>				
<u>Cost</u>	50	36.9	50.0	10.1	0.8
<u>Material Recovery</u>					
Guarantee	20	13.6	18.8	15.4	18.0
Feasibility	5	4.1	1.3	2.9	2.5
<u>O&amp;M</u>	25	23.5	13.3	16.7	14.3
	<b>Total (100)</b>	<b>78.1</b>	<b>83.4</b>	<b>45.1</b>	<b>35.5</b>

**EVALUATION REPORT FOR PROPOSALS RECEIVED IN RESPONSE  
to the  
Request for Proposals for the Operation of the Metro South  
and/or  
Metro Central Transfer Stations  
(RFP #04-1091)**

**1. Introduction**

Metro, a regional government serving the Portland metropolitan area, owns the Metro South and Metro Central solid waste transfer stations. Metro contracts with private firms to operate the stations. The current contract expires on November 30, 2004. On February 26, 2004 the Metro Council authorized release of RFP #04-1091 to solicit proposals to operate the stations upon expiration of the current contract. Four firms submitted proposals on April 26, 2004. An evaluation committee then reviewed and ranked the proposals. This report presents the results of the committee's review.

**2. Structure of the RFP and Responses**

Proposals were requested for three service options. Firms could submit proposals to operate the Metro South station, the Metro Central station, or both. These options were referred to as Options #1, #2 or #3.

Four firms submitted proposals for Option #3 to operate both stations. Those firms are as follows:

- **Browning-Ferris Industries, Inc. (BFI)**
- **Norcal Waste Systems, Inc.**
- **Oregon Resource Recovery, LLC (ORR)**  
(A joint venture of: Envirocon, Inc., Calbag, Inc.  
Shredding Systems, Inc. and East County Recycling.)
- **Waste Management of Oregon, Inc. (WM)**

In addition, WM submitted proposals for Options #1 and #2. However since no other firms submitted proposals for these options, these proposals were not evaluated.<sup>1</sup>

**3. Evaluation Process/Criteria**

Firms submitted proposals on April 26, 2004. After an initial review of the proposals, the Evaluation Committee requested clarifications of each proposer. The Committee then scored

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<sup>1</sup> The structure of the RFP called for a firm's proposal for Option #1 to be paired with another firm's proposal for Option #2 for evaluation purposes. Since no other firms submitted Option #1 or #2 proposals WM's proposals for Options #1 and #2 were not evaluated. These contained the same basic information as in their Option #3 proposal.

each proposal by applying the criteria and associated points as described in the request for proposals. A description of the criteria is given below; detailed application of each criterion is contained in subsequent sections of this report.

### **Cost- 50 points<sup>2</sup>**

Proposers were asked to submit prices for fifteen items as shown on the “Price Comparison” chart. Utilizing an electronic spreadsheet provided by Metro, a total cost for each proposal was computed. The lowest cost proposal received fifty points. Other proposals were scored using the following formula:

“Other”total cost \$ \_\_\_ minus “Lowest” total cost \$ \_\_\_ = Difference

Percentage = 1 – (Difference divided by “Lowest” total cost)

Percentage times 50 points = points for other than lowest cost proposal.

### **Material Recovery- 25 points**

Twenty points were allocated based on the *Contractor’s Recovery Guarantee* for operation of each station. Five points were allocated based on the feasibility of exceeding the guarantee and other factors as described below.

- a. Contractor’s Recovery Guarantee.* Ten of the twenty points were available for the Recovery Guarantee proposed for MSS and ten for MCS.

The highest guarantee for each facility received all ten points. The guarantees provided by the “Other” firms were allocated points per the formula below:

“Highest” guarantee \_\_\_% minus “Other” \_\_\_% guarantee = Difference

Percentage = 1 – (Difference divided by “Highest” guarantee)

Percentage times 10 points for each station.

- b. Feasibility.* Five points were available based on that proposal’s ability, in the opinion of the evaluation team, to accomplish the following material recovery goals:

- Ability to exceed the Recovery Guarantee
- The cost of obtaining this additional recovery
- Accommodating reuse strategies
- Approaches, methods and technologies used overall and for recovering targeted materials from commercial waste including those with low feasibilities (such as those with limited or unstable markets)

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<sup>2</sup> Metro staff, and the consultant to the Evaluation Committee, conducted a review of the financial information submitted by the proposers. These reviews are contained in the Appendix.

- Extent to which proposed markets conform with the hierarchy of reuse, recycling, composting (yard trimmings and food) and, finally, energy recovery and other beneficial use
- Contractor's experience with material recovery and demonstration that this approach is being used successfully elsewhere.

An assessment of the feasibility of obtaining the proposed results was made considering such factors as standard industry practices, the probable success of the proposed approach, technology used at other facilities and existing and past material recovery approaches used at Metro's facilities. Consideration was also given to the cost effectiveness of the proposed approach by weighing Metro payments, the market value of recovered materials and the cost of recovery. Points were allocated based on how well the proposed approaches satisfy Metro's goal of maximizing cost effective materials recovery at the transfer stations.

### **Operation and Maintenance Approach- 25 points**

This criterion examines how well the operation and maintenance approaches proposed satisfy RFP requirements and achieve Metro's goals. Metro's goals for operation include a healthy and safe work environment at the stations for customers and employees, as well as efficient operation and customer satisfaction. Metro's goals for maintenance consist of ensuring continuous operation and the longevity of Metro-owned equipment and facilities.

Points were allocated based on how well the proposed approaches will accomplish Metro's goals and satisfy the requirements of the RFP.

Specific aspects of each proposal that were used to allocate points included:

#### ***a. Personnel***

- Meeting or exceeding the minimum requirements
- The experience and quality of key personnel in key areas of the operations
- Whether current non-management employees are proposed to be retained

#### ***b. Equipment***

- The type and amount of equipment proposed
- Whether the equipment matches the proposed use
- The quality of the equipment
- Availability of backup equipment

#### ***c. Operations Plan***

- Efficiency of proposed approach to move waste through the facility
- Effectiveness of material recovery plan and impact on efficiency of operations
- Maximizing of the production and weights of payloads for transfer
- Safety of operations

**d. Maintenance Plan**

- Maintenance schedule for equipment and facilities
- Tracking system proposed including chain of documentation
- Amount of resources proposed for maintenance

**e. Safety and Training Program**

- Compliance with Metro’s Transfer Station Contractor’s Procedures Manual
- Proposed safety training program requirements
- Experience of designated safety personnel
- Proposed onsite safety procedures and safeguards
- Workers Compensation Experience Modification Factor

**f. Sustainable Practices**

- The number and type of sustainable practices to which the proposer commits.

**4. Scores by Criteria by Firm**

**A. Cost – 50 points available**

<b>ORR</b>	<b>50.0</b>
<b>BFI</b>	<b>36.9</b>
<b>Norcal</b>	<b>10.1</b>
<b>WM</b>	<b>0.8</b>

Prices submitted by each firm are presented in the following chart. It should be noted that the Evaluation Committee had no discretion over the allocation of points for this criterion since points were allocated to each proposal per the formula contained in the RFP.

<b><u>METRO SOUTH ONLY ITEMS</u></b>	<b><u>ORR</u></b>	<b><u>BFI</u></b>	<b><u>Norcal</u></b>	<b><u>WMI</u></b>
1. Fixed Annual Payment for Waste Transfer	\$1,685,040.00	\$1,815,600.00	\$3,314,112.00	\$4,442,000.00
2. Per Ton Price for each ton in excess of 17,000 tons per Month	\$5.98	\$8.46	\$4.39	\$4.90
3. Per Ton Price for each ton of source separated yard debris/wood	\$21.66	\$35.62	\$35.50	\$35.00
4. Per Ton Price for each ton of source separated clean drywall	\$42.15	\$66.00	\$55.00	\$73.00
5. Per Ton Price for each ton of source separated asphalt roofing material	\$33.50	\$85.00	\$50.00	\$63.00
6. Contractor’s Recovery Guarantee	22.0%	15.0%	18.0%	17.5%
7. Fixed Annual Payment for Waste Recovery	<b><u>\$344,556<sup>3</sup></u></b>	<b><u>\$344,556</u></b>	<b><u>\$344,556.00</u></b>	<b><u>\$344,556.00</u></b>

<sup>3</sup> All bolded prices were supplied by Metro.

<u>METRO CENTRAL ONLY ITEMS</u>	<u>ORR</u>	<u>BFI</u>	<u>Norcal</u>	<u>WM</u>
1. Fixed Annual Payment for Waste Transfer	\$1,583,280.00	\$2,030,400.00	\$4,396,399.00	\$3,845,000.00
2. Per Ton Price for each ton in excess of 18,000 tons per Month	\$5.40	\$8.93	\$4.39	\$5.58
3. Per Ton Price for each ton of source separated yard debris/wood	\$22.40	\$35.62	\$35.50	\$35.00
4. Per Ton Price for each ton of source separated clean dry wall	\$42.25	\$66.00	\$55.00	\$69.00
5. Per Ton Price for each ton of source separated asphalt roofing material	\$33.78	\$85.00	\$50.00	\$63.00
6. Per Ton Price for each ton of source separated organics	\$17.00	\$19.50 <sup>4</sup>	\$4.39	\$11.25
7. Contractor's Recovery Guarantee	22.0%	17.0%	18.0%	25.0%
8. Fixed Annual Payment for Waste Recovery	<b><u>\$344,556</u></b>	<b><u>\$344,556</u></b>	<b><u>\$344,556</u></b>	<b><u>\$344,556</u></b>

**Items for Both Stations**

1. Per Ton Bonus Recovery Credit	\$16.22	\$13.72 <sup>4</sup>	\$11.00	\$22.00
2. Percentage of CPI proposed (cannot exceed 75%)	75.0%	75.0%	75.0%	75.0%

**Other Payments**

1. Per Ton Compaction Bonus	<b>\$8.01</b>	<b>\$8.01</b>	<b>\$8.01</b>	<b>\$8.01</b>
2. Per Ton Compaction Deduction	<b>\$16.02</b>	<b>\$16.02</b>	<b>\$16.02</b>	<b>\$16.02</b>
3. Per Load Overload Adjustment	<b>\$19.58</b>	<b>\$19.58</b>	<b>\$19.58</b>	<b>\$19.58</b>
4. Per Ton Recovery Credit/(Disposal Cost Reimbursement)	<b>\$33.78</b>	<b>\$33.78</b>	<b>\$33.78</b>	<b>\$33.78</b>

<b>TOTAL COST</b>	\$25,656,429	\$32,392,422	\$46,132,804	\$50,914,528
<b>Cost Points</b>	50.0	36.9	10.1	0.8

**B. Material Recovery – 25 points**

The Material Recovery criterion was composed of two parts, the *Contractor's Recovery Guarantee* and *Feasibility*. They are reported separately below.

<sup>4</sup> The price was calculated utilizing the firm's response to a request for clarification as explained in the memo from Metro's Contract Manager contained in the Appendix.

**1) Contractor's Recovery Guarantee – 20 points**

<b>ORR</b>	<b>18.8</b>
<b>BFI</b>	<b>13.6</b>
<b>Norcal</b>	<b>15.4</b>
<b>WM</b>	<b>18.0</b>

The Guarantees submitted by each firm on the Price Schedule are presented in the above chart. It should be noted that the Evaluation Committee had no discretion over the allocation of points for this criterion: Points were allocated to each proposal per the formula contained in the RFP.

**2) Feasibility – 5 points**

<b>ORR</b>	<b>1.3</b>
<b>BFI</b>	<b>4.1</b>
<b>Norcal</b>	<b>2.9</b>
<b>WM</b>	<b>2.5</b>

Points were allocated based how well each proposal addressed the various aspects of the criterion as contained in the RFP. Each aspect was allocated a portion of the five points available. Proposals were then scored for each aspect as detailed in the chart below.

**MATERIAL RECOVERY SCORES - Feasibility**

<b>Category</b>	<b>Pts.</b>	<b>BFI</b>	<b>Norcal</b>	<b>ORR</b>	<b>WM</b>
<b>Ability to exceed recovery guarantee Current: 12.6% (MSS) and 18.0% (MCS)</b>	0.5	0.5	0.3	0.0	0.1
<b>Cost to reach additional guarantee</b>	1.0	0.6	0.8	1.0	0.8
<b>Accommodate reuse strategies/ Markets conform with hierarchy of reuse</b>	0.5	0.4	0.2	0.0	0.0
<b>Approaches to recover materials from commercial waste</b>	1.0	0.6	0.4	0.1	0.1
<b>Experience with material recovery</b>	2.0	2.0	1.2	0.2	1.5
<b>TOTAL PTS</b>	<b>5.0</b>	<b>4.1</b>	<b>2.9</b>	<b>1.3</b>	<b>2.5</b>

Background materials used by the Evaluation Committee in making its determination are contained in the Appendix.

**C. Operations and Maintenance Approach – 25 points**

<b>ORR</b>	<b>13.3</b>
<b>BFI</b>	<b>23.5</b>
<b>Norcal</b>	<b>16.7</b>
<b>WM</b>	<b>14.3</b>

Points were allocated based how well each proposal addressed the various aspects of the criterion as contained in the RFP. Each aspect was allocated a portion of the twenty-five points available. Proposals were then scored for each aspect as detailed in the chart below.

**OPERATION AND MAINTENANCE APPROACH SCORES**

<b>Category</b>	<b>Max Pts.</b>	<b>BFI</b>	<b>Norcal</b>	<b>ORR</b>	<b>WM</b>
<b><i>Personnel</i></b> <ul style="list-style-type: none"> <li>▪ min. requirements</li> <li>▪ experience of key staff/ key areas</li> <li>▪ retaining existing staff</li> </ul>	4.0	4.0	4.0	1.5	2.5
<b><i>Equipment</i></b> <ul style="list-style-type: none"> <li>▪ type and amount</li> <li>▪ equip. matches use?</li> <li>▪ quality of equipment</li> <li>▪ availability of backup</li> </ul>	3.5	3.5	2.5	2.5	2.0
<b><i>Operations Plan</i></b> <ul style="list-style-type: none"> <li>▪ ability to move waste</li> <li>▪ effectiveness of mat. recovery plan/impact on transfer</li> <li>▪ max. payloads</li> <li>▪ safety</li> </ul>	6.5	6.0	3.5	2.5	3.0
<b><i>Maintenance Plan</i></b> <ul style="list-style-type: none"> <li>▪ maint. schedule for equip./facility</li> <li>▪ tracking system, documentation</li> <li>▪ resources</li> </ul>	6.0	5.5	3.0	3.0	3.5
<b><i>Safety/Training</i></b> <ul style="list-style-type: none"> <li>▪ compliance w/ procedures manual</li> <li>▪ proposed training requirements</li> <li>▪ experience safety personnel</li> <li>▪ proposed procedures, safeguards</li> <li>▪ workers compensation</li> <li>▪ experience modification factor</li> </ul>	4	3.5	3	3.5	3.0
<b><i>Sustainability</i></b> <ul style="list-style-type: none"> <li>▪ # and type practices committed to</li> </ul>	1.0	1.0	0.7	0.3	0.3
<b>Points (0-25)</b>	<b>25</b>	<b>23.5</b>	<b>16.7</b>	<b>13.3</b>	<b>14.3</b>

Background materials used by the Evaluation Committee in making its determination are contained in the Appendix.

**5. Summary of Scores by Criteria**

A summary of scores by each criterion is presented below. Based on the scoring, the proposal submitted by ORR was the highest-ranked.

**Summary of Scores by Firm by Criterion  
for RFP #04-1091-SWR**

<u>Firms</u>		<u>BFI</u>	<u>ORR</u>	<u>NORCAL</u>	<u>WM</u>
<u>Criterion</u>	Max. Pts				
<u>Cost</u>	50	36.9	50.0	10.1	0.8
<u>Material Recovery</u>					
* Guarantee	20	13.6	18.8	15.4	18.0
* Feasibility	5	4.1	1.3	2.9	2.5
<u>O&amp;M</u>	25	23.5	13.3	16.7	14.3
	Total (100)	<b>78.1</b>	<b>83.4</b>	<b>45.1</b>	<b>35.5</b>

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## **APPENDIX**

Memo Regarding BFI Prices

Financial Review of Proposers

Background Materials Regarding Materials Recovery- *Feasibility Criterion*

Background Materials Regarding *Operation and Maintenance Criterion*