

ENROLLED ORDINANCE 168-118

AMENDMENT OF COLLABORATIVE MATERIALS
RECYCLING FACILITY CAPITAL PROJECT 201409

WHEREAS, Waukesha County and the City of Milwaukee each own a Material Recovery Facility (MRF) that historically have been operated under private contract and have processed similar annual quantities of recyclables, and

WHEREAS, between 2007 and 2012, a series of studies were completed by both the County and the City to determine the best path for future MRF updates as needed to adapt to changing recycling collection and processing systems, and

WHEREAS, through Enrolled Resolution ER168-3, the County Board approved Capital Project 201409 for a Collaborative Materials Recycling Facility, and

WHEREAS, the Waukesha County portion of this project is entirely funded by fund balance accumulated from previous year recycling material processing and sale profits, and

WHEREAS, in 2013, the County and City executed an intergovernmental cooperation agreement and subsequently accepted proposals for the processing and marketing of combined County and City recyclables at either a privately-owned and operated MRF or a publically-owned and privately-operated MRF, and

WHEREAS, in December 2013, after completing a competitive proposal review process, officials from joint County/City technical and financial review committees unanimously recommended an Intent to Award to Resource Recovery Systems, LLC d/b/a "ReCommunity" for their proposal to privately process County and City single stream recyclables at the existing Milwaukee MRF, and

WHEREAS, the proposal received from Resource Recovery Systems, LLC included a detailed proposal to acquire and install equipment necessary to process single stream recyclables, and

WHEREAS, the detailed capital cost submitted in the competitive proposal process, and subsequently negotiated, is higher than the cost estimated during the Year 2007 and 2012 studies and included in Capital Project 201409, and

WHEREAS, the capital cost increase is due to the equipment, engineering and installation cost associated with increasing the designed tonnage to be processed from 25 tons/hour to 35 tons/hour as well as updated equipment specifications and modifications to the current County facility for transfer station setup.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the 2014 budget for Capital Project 201409 be amended by increasing the authorized expenditure amount by \$2,300,000, from \$5,410,000 to \$7,710,000, to acquire and install equipment necessary to process single stream recyclables at the existing Milwaukee material recycling facility and to convert the existing Waukesha County material recycling facility to a transfer station.

FISCAL NOTE

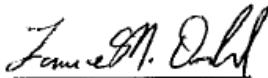
AMENDMENT OF COLLABORATIVE MATERIALS RECYCLING FACILITY
CAPITAL PROJECT 201409

This ordinance increases the authorized expenditure authority for the Collaborative Material Recycling Facility (MRF) capital project by \$2.3 million, from \$5,410,000 to \$7,710,000. According to Parks and Land Use staff, the cost increase is mainly due to the need for more advanced equipment that can accommodate a higher level of tonnage processing than was originally assumed at the time the capital project was developed (35 tons/hour vs 25 tons/hour), and accounts for approximately \$1.6 million of the increase in requested spending. Processing more tonnage allows the contractor (Resource Recovery Systems, LLC) to reduce the per-ton processing fee charged to the County. This added investment will also accommodate more volume in the future, and in turn, a greater return on investment.

The remainder of the increase is for pavement improvements at the transfer station of about \$400,000, structural and technological improvements at the transfer station of about \$200,000, and additional contingency of \$100,000. As noted in the capital project form, the transfer station is where materials from Waukesha County will be compacted and transported to the existing Milwaukee MRF facility.

Total project costs are estimated to be about \$20.1 million, with Waukesha County's share estimated at \$7,710,000 (noted above), and the City of Milwaukee's share estimated at \$12.4 million. The City will be responsible for the costs of improving their existing MRF facility, and the County will be responsible for the costs of converting the existing Waukesha MRF facility to a transfer station. Both entities will evenly split the costs of new equipment for the Milwaukee MRF.

Also, to accommodate planned use of MRF Fund Balance for this project, \$4 million that was borrowed from the MRF Fund in 2006 and 2007 (enrolled ordinances 160-46 and 161-32) to reduce capital project borrowing, will be repaid from the General Fund.




Lawrence M. Dahi
Accounting Services Manager
3/19/2014


AMENDMENT OF COLLABORATIVE MATERIALS
 RECYCLING FACILITY CAPITAL PROJECT 201409

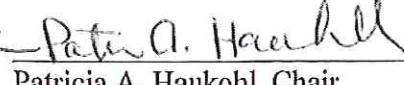
Presented by:
 Executive Committee

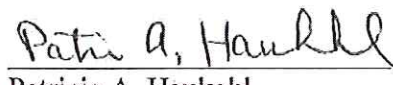
Approved by: Land Use, Parks,
 and Environment Committee

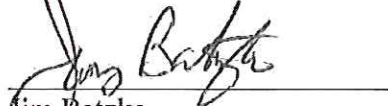
Approved by:
 Finance Committee



 Paul L. Decker, Chair



 James A. Heinrich, Chair



 Patricia A. Haukohl, Chair


 Patricia A. Haukohl



 Jim Batzko


 Daniel U. Draeger


 James A. Heinrich

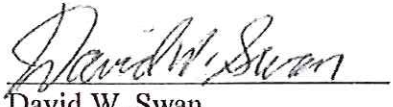

 Walter L. Kolb

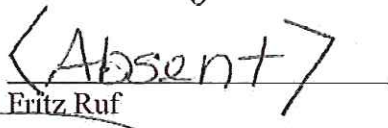

 Pamela Meyer

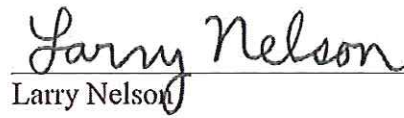

 Duane E. Paulson

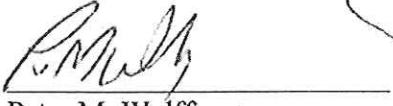

 Pamela Meyer

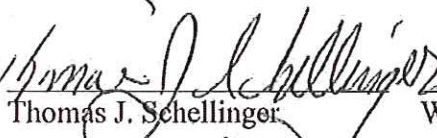

 Richard Morris

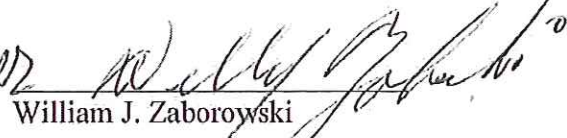

 David W. Swan

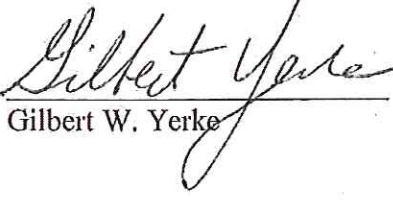

 Fritz Ruf



 Larry Nelson


 Peter M. Wolff



 Thomas J. Schellinger


 William J. Zaborowski


 Gilbert W. Yerke

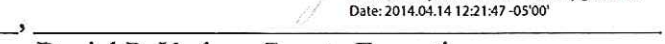

 David D. Zimmermann

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 4/8/14, 
 Kathleen Novack, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X
 Vetoed: _____

Date: _____, 
 Daniel P. Vrakas, County Executive

Digitally signed by Daniel P. Vrakas
 DN: cn=Daniel P. Vrakas, o=Waukesha County,
 ou=Waukesha County Executive,
 email=countyexec@waukeshacounty.gov, c=US
 Date: 2014.04.14 12:21:47 -0500'

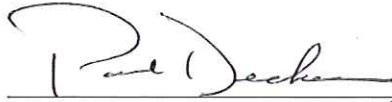
4-14-14

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 RECYCLING FACILITY CAPITAL PROJECT 201409

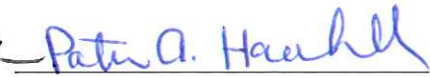
Presented by:
 Executive Committee

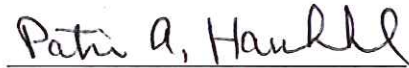
Approved by: Land Use, Parks,
 and Environment Committee

Approved by:
 Finance Committee


 Paul L. Decker, Chair


 James A. Heinrich, Chair



 Patricia A. Haukohl, Chair

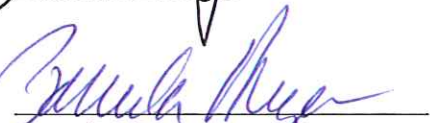

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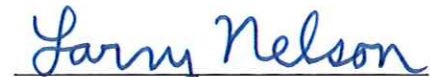

 Duane E. Paulson


 Pamela Meyer

absent
 Richard Morris


 David W. Swan


(Absent)
 Fritz Ruf



 Larry Nelson


 Peter M. Wolff

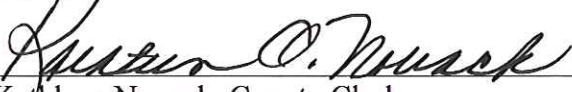

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Date: 4/8/14, 
 Kathleen Novack, County Clerk

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Approved: _____
 Vetoed: _____

Date: _____,
 Daniel P. Vrakas, County Executive

Project #	201409	Project Title:	Collaborative Materials Recycling Facility
Department:	Parks & Land Use	Manager:	Dale Shaver, Parks & Land Use Director
Phase:	One-Year Project		
Budget Action:	C-\$Update	Date:	March 19, 2014

CAPITAL BUDGET SUMMARY			
Year	2014		Total
Program Project	Construction		Project
Expenditure Budget	\$7,710,000		\$7,710,000
Revenue Budget	<u>\$7,710,000</u>		<u>\$7,710,000</u>
Net County Cost	\$0		\$0
COST DOCUMENTATION		Cost	Revenue
Waukesha County	\$7,410,000	Materials Recycling Fund	\$7,710,000
City of Milwaukee	\$12,413,000	City of Milwaukee	\$12,413,000
Contingency	\$300,000		
Total Project Cost	\$20,123,000		
EXPENDITURE BUDGET	\$7,710,000	REVENUE BUDGET	\$7,710,000

Project Scope & Description

This project, through an intergovernmental agreement with the City of Milwaukee, installs new single stream recyclable processing equipment to the existing Milwaukee Material Recovery Facility (MRF) in the Menomonee Valley for the private processing and marketing of recyclable material. A "single stream" recycling system is when all paper, bottles, and cans are mixed together in a single container for collection and processing. The current Waukesha County-owned MRF is 22 years old, processes "dual stream" recyclables, and is not adequate to process single stream recyclable material. A "dual stream" recycling system is when paper is collected and processed separate from bottles and cans. The trend in picking up and hauling residential recyclable material is shifting to single stream since the material can be picked up with automated devices on trucks, eliminating the risk and cost of manual pick up. Since 2007, the Department of Parks and Land Use has initiated a series of studies to analyze the conversion of processing dual-stream recyclables to single-stream. These studies consisted of a thorough technical, operational and fiscal analysis of the process of collection, transportation and processing recyclables under a series of alternatives. The studies indicate that through collaboration with other governmental units, a significant increase in the tonnage of recyclables processed produces the best return on investment. Specifically a partnership with the City of Milwaukee would double the tonnage of recyclables processed. Initial Capital Project cost for the Recycling Facility and Transfer Facility equipment and setup were estimated through the studies conducted in years 2007 and 2012.

In the fall of 2013, a Request for Proposals (RFP) was conducted seeking proposals to privately process single stream recyclables at a joint facility between Waukesha County and the City of Milwaukee or at other private facilities. As part of the Request for Proposals process, vendors submitted detailed proposals to acquire and install equipment necessary to process single stream recyclables and setup the Waukesha County Transfer Station. The awarded proposal included the option of also privately processing additional third party recyclable tonnage, which helps lower the vendor's per-ton processing fee to the County. As a result of the processing of additional tonnage, the cost for equipment, engineering and installation associated with increasing the designed tonnage was higher than projected in the original studies. Specifically, increased costs include equipment adjustments needed to increase material processing from 25 tons/hour to 35 tons/hour as well as other updated equipment specifications submitted through the RFP.

The Waukesha County portion of this project is entirely funded by fund balance accumulated from previous year recycling material processing and sale profits, with no County tax levy. The 2014 budget of the capital project needs to be amended by increasing the authorized expenditure amount by \$2.3 million, from \$5.4 million to \$7.7 million, mainly due to higher equipment costs at the Milwaukee MRF of about \$1.6 million (mentioned above), pavement improvements at the transfer station of about \$400,000, structural and technological improvements at the transfer station of \$200,000 and additional contingency of \$100,000.

Location

Project includes the conversion of the Waukesha County MRF (220 S. Prairie Ave, Waukesha, WI 53186) to a transfer station to haul recyclables to the existing City of Milwaukee MRF (1401 W. Mt Vernon Ave, Milwaukee, WI 53233). This allows compaction of recyclables into walking floor semi trailers, reducing trips to Milwaukee from 35 to 4-5 trucks per day.

Analysis of Need

Past: Several studies completed since 2007. Most recent one was a joint Milwaukee/Waukesha County study in 2012.
Current: Current MRF requires major upgrades & equipment replacements. Problems with plastic line, tip floor and bale storage would require MRF expansion. There is no opportunity to expand on the current Waukesha County MRF 2 acre lot.
Trends: Industry trend is a switch to a single stream recycling due to improved efficiencies in collection and processing. A single stream system mixes paper and containers together and completes the sorting process at the MRF using new sort line technologies.

Alternatives

There were three alternatives included in the RFP, all of which include the private processing of single stream recyclables for both the City of Milwaukee and Waukesha County:
A. Equip and privately operate the existing City of Milwaukee MRF building for material processing.
B. Transfer and process materials at an existing MRF.
C. Transfer and process materials at a new MRF facility, location to be determined.

Project #	201409	Project Title:	Collaborative Materials Recycling Facility
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Phase:	One-Year Project		
Budget Action:	C-\$Update	Date:	March 19, 2014

Ongoing Operating Costs

Initial startup costs: Estimated at \$20.1 million in capital costs for MRF equipment and building upgrades. Annual Operational Costs: Estimated at \$2.97 million to process a total of 54,000 tons of recyclables per year. The Waukesha County portion of the processing cost for 27,000 tons is estimated at \$1.67 million.

Previous Action

In the 2013 Budget, the County Board authorized the Department of Parks and Land Use to analyze and negotiate with the City of Milwaukee and others on processing single stream recyclable material.
Approved in the 2014-2018 Capital Plan.

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

DATE- *04/08/14*

(ORD) NUMBER-1680118

- | | | | |
|----|-----------------------|----|-----------------------|
| 1 | | 2 | D. Zimmermann.....AYE |
| 3 | R. MORRIS..... | 4 | J. BATZKO.....AYE |
| 5 | J. BRANDTJEN.....NAY | 6 | |
| 7 | J. GRANT.....AYE | 8 | P. HAUKOHL.....AYE |
| 9 | J. HEINRICH.....AYE | 10 | D. SWAN.....AYE |
| 11 | F. RUF.....AYE | 12 | P. WOLFF.....AYE |
| 13 | P. DECKER.....AYE | 14 | P. MEYER.....AYE |
| 15 | W. KOLB.....AYE | 16 | M. CROWLEY.....AYE |
| 17 | D. PAULSON.....AYE | 18 | L. NELSON.....AYE |
| 19 | C. CUMMINGS.....AYE | 20 | T. SCHELLINGER....AYE |
| 21 | W. ZABOROWSKI.....AYE | 22 | P. JASKE.....AYE |
| 23 | K. HAMMITT.....AYE | 24 | D. DRAEGER.....AYE |
| 25 | G. YERKE.....AYE | | |

TOTAL AYES-21

TOTAL NAYS-01

CARRIED X

DEFEATED _____

UNANIMOUS _____

TOTAL VOTES-22