

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR WASTE-TO-ENERGY OPTIONS STUDY**

**BACKGROUND:**

Most of the municipal solid waste in Story County is transported to the City's Resource Recovery Plant (RRP), which has been in operation since 1975. Recyclable materials are removed from the waste through processing, and lighter, combustible materials are shredded into refuse-derived fuel (RDF), which is transferred to the Power Plant and used as a supplemental boiler fuel in conjunction with natural gas.

The current co-firing process has operational limitations. Since the RDF cannot be effectively stored long-term, one of the Power Plant's units must be in near constant operation to dispose of the RDF as it is produced. This limits the electric utility's ability to take full advantage of market energy at times when rates are low. There are also corrosion and maintenance issues with the storage and combustion of the RDF.

**Because of these limitations, and consistent with a desire to continually improve the services provided to the community, on December 8, 2020, the City Council approved a scope of services for a Waste-to-Energy Options Study.** Through this study, a consultant would be retained to evaluate all possible, credible options for disposing municipal solid waste in a waste-to-energy system and satisfy the county's solid waste disposal needs for 2023 and beyond. These options would serve as a reliable solution for waste disposal and allow the City of Ames to perform as a leader/innovator in the Waste to Energy Industry, focusing on providing community wide sustainability with minimum impact to the environment.

The study involves developing projections regarding the quantity and characteristics of municipal solid waste for the County into the future, and evaluating five staff-identified options for waste-to-energy systems to dispose of that waste into the future. For each option, the consultant is asked to evaluate capital costs, operational and maintenance costs, environmental impacts and permitting, externalities (such as truck traffic, odor, and noise), and the timeline to design and construct. The ability to provide redundant systems and re-use existing components is also to be evaluated. Additionally, the consultant is asked to identify the impacts of each option on the existing diversion programs (glass and food waste).

The five options to be evaluated are: (See pages 1&2 of attached Scope of Service)

1. Resource Recovery and Power Plant As-Is
  - 2a. Dedicated RDF Unit inside the Power Plant
  - 2b. Dedicated RDF Unit inside the Power Plant with 20" RDF Sizing

- 3a. Dedicated RDF Unit on a Greenfield Site
- 3b. Dedicated Municipal Solid Waste Unit on a Greenfield Site

Funds totaling \$250,000 are available for this study, with \$200,000 in funding from the Electric Department Capital Improvement Project budget and \$50,000 from the Resource Recovery operating budget.

A Request for Proposals (RFP) was issued on January 4, 2021, to 32 firms and three bid services. Responses were received from eight firms. An evaluation team composed of representatives from Electric Services, Public Works, and the City Manager’s Office reviewed the proposals based on the following criteria:

1. Assigned staff’s knowledge and experience – especially pertaining to environmental regulations, electrical power, material recovery and diversion, and engineering and costing of waste-to-energy facilities
2. Consultant’s experience and capability to perform the study
3. Comprehension of the RFP and the completeness of the submission
4. Availability of staff and other resources to meet the schedule propose by the consultant
5. Cost

The initial scoring of the proposals resulted in the following rankings:

<b>Firm</b>	<b>Total Score</b>	<b>Rank</b>	<b>Fee Proposal</b>
Gershman, Brickner, and Bratton, Inc., McLean, VA	2350	1	\$220,000
HDR Engineering, Inc., Ames, IA	2307	2	\$199,885
RRT Design & Construction, Melville, NY	2172	3	\$239,500
Black & Veatch Corporation, Overland Park, KS	2080	4	\$138,200
SCS Engineers, Clive, IA	2010	5	\$250,000
ESI Inc. of Tennessee, Kennesaw, GA	1780	6	\$208,502
EXP U.S. Services, Inc, Chicago, IL	1720	7	\$123,770
Tetra Tech, Inc., Pittsburgh, PA	1716	8	\$218,699

The maximum possible score, combining all 6 evaluators was 3000. The knowledge and experience related scores represented 80% of the overall score, and proposed fees accounted for 20%. The evaluation team invited the top three firms for interviews. The evaluation team determined that the fourth-ranked firm did not have the necessary municipal solid waste experience needed to perform the services; therefore, the evaluation team invited SCS Engineers, which was the fifth-highest overall firm, but which ranked fourth based on the merits of its proposal (excluding cost).

The firms were asked to provide a brief presentation introducing their team members, their roles and demonstrate their understanding of the scope of services. Team members were

also offered tours of the Resource Recovery Plant and Power Plant prior to their interviews. Interviews were evaluated by 11 evaluators based on:

1. Knowledge and relevant experience of staff assigned to perform the study
2. Study process and methodology
3. Commitment and enthusiasm for the project
4. Comprehension of the scope of work
5. Quality and thoroughness of the presentation

As with the proposal scoring, each criterion was weighted and given a score. The combined scores of the written proposals, interviews and references resulted in the following ranking:

Firm	Total Score	Rank
RRT Design & Construction, Melville, NY	4735	1
Gershman, Brickner, and Bratton, Inc., McLean, VA	4603	2
HDR Engineering, Inc., Ames, IA	4390	3
SCS Engineers, Clive, IA	3933	4

RRT emerged as the top candidate through the evaluation process. **City staff was impressed with the individual staff expertise in both key aspects of waste-to-energy: waste handling/processing and combustion/power generation. RRT staff identified a number of similar projects to the City's, both in the nature of the project and the scale. Of particular interest to City staff is the expertise RRT brings with analyzing waste-to-energy systems of various sizes, which increases to potential for financially feasible operations to be pursued.**

City staff conducted reference checks of RRT's work in other utilities and positive feedback was received, both for the firm in general and the key staff that would be assigned to this project.

RRT's approach to the scope of services will involve preparation of technical memoranda for each of the five options the City has identified to explore. RRT has indicated that its cost proposal includes the ability to analyze an additional option if one emerges during the early stages of the study, and if the City agrees it is worthy to pursue. As part of its capital and operating and maintenance expense projections, RRT will provide a financial model with various inputs that can be adjusted to develop financial projections under a variety of conditions.

The contract will conclude with a presentation of the final report to City staff and then a public presentation to the City Council. It is anticipated that this work will be completed in November 2021. The technical memoranda will be produced in late summer for City staff to review prior to incorporation into the final report. The timing of the technical memoranda and the final report should provide City staff enough time to determine any subsequent steps that need to be incorporated into the draft FY 2022/23 City budget or future Capital Improvement Plan.

RRT staff is also aware that the City is developing a Climate Action Plan, and that the decisions made with regard to the City's waste-to-energy future may have a significant impact on greenhouse gas emissions into the future. City staff will ensure that the Climate Action Plan consultant and RRT are apprised of any impacts one study may have on the analysis and/or potential options available in the other.

**ALTERNATIVES:**

1. Approve the award of contract with Enviro-Services & Constructors, Inc. dba RRT Design & Construction, for a Waste to Energy Options Study in the amount not to exceed of \$239,500.
2. Direct staff to negotiate a contract for a Waste to Energy Options Study with one of the other firms that submitted a proposal to the City.
3. Do not award contract for the Waste to Energy Options Study.

**CITY MANAGER'S RECOMMENDED ACTION:**

The four final consulting firms had varied levels of experience and provided different strategies for creating a Waste to Energy Options Study consistent with the RFP. City staff conducted in-depth assessment of each firm's qualifications and abilities to meet the City's needs, including evaluating the scope of services and experience of each consultant team, meeting the consultant's staff, listening to the presentations, and checking references.

Following this evaluation, the team of City staff assigned to the evaluation of this RFP unanimously agree that Enviro-Services & Constructors, Inc. dba RRT Design & Construction, is the best choice to provide these services.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative No. 1, as described above.

## Joint Use Easement Agreement

**Know All Persons:** This is an Agreement by and between adjacent landowners and the City of Ames, Iowa, upon the following terms and conditions:

- 1 **Definitions.** When used in this instrument, unless otherwise required by the context:
  - 1.1 “Owner” means **Continue Care Real Estate Holdings, LLC**, an Iowa limited liability company, with principal offices in Ames, Iowa.
  - 1.2 “Parcel 1” means the tract located at 414 Lincoln Way (currently county Parcel No. 09-11-101-030) legally described as:

Lots 3 and 4 in Block 4 of Black’s Addition to Ames, Iowa.
  - 1.3 “Parcel 2” means the tract located at 119 Washington Ave (currently county Parcel No. 09-11-101-075) legally described as:

Parcel E, in a part of Lots 8 and 9, Block 4, Black’s Second Addition, in the City of Ames, as shown on the Plat of Survey recorded in the office of the Recorder of Story County, Iowa, on March 31, 2021, and recorded as Instrument No. 2021-03905.
  - 1.4 “Joint Use Area” means the West 75 feet and the South 20 feet of the East 45 feet of Parcel 1.
  - 1.5 “City” means City of Ames, Iowa, an Iowa municipal corporation.
- 2 **Circumstances & Purpose.** Parcel 1 is adjacent (across a public alley) to Parcel 2. Owner has acquired both Parcel 1 and Parcel 2. Owner uses Parcel 1 for a funeral home. Owner plans use of Parcel 2 for a banquet hall. In order to satisfy certain zoning requirements of City for Parcel 2, Owner desires to provide for parking in the Joint Use Area as provided in section 29.406(17) of the Ames Municipal Code.
- 3 **Joint Use Area Reserved on Parcel 1.** For valuable consideration, including the mutual promises contained herein, Owner does hereby reserve for Owner and for its successors and assigns, for the uses and upon the conditions hereinafter recited, the perpetual right to enter upon the Joint Use Area. The easement rights granted or reserved under this instrument shall be appurtenant to Parcel 2.
- 4 **Easement Uses.** Owner does hereby reserve for Owner of Parcel 2 and for its successors and assigns, guests and invitees, the right within, over, upon, across, and under the Joint Use Area to park vehicles within not fewer than the required number of marked parking spaces, together with a right of ingress to and egress from the adjacent public rights-of-way. The Owner of neither Parcel shall obstruct or impair the use by the Owner of the other Parcel of the Joint Use Area or the driveway access to the marked parking spaces. Owner expressly reserves for Owner the right appurtenant to Parcel 1 the sole right and authority to designate the location of the required number of marked parking spaces to be utilized for Parcel 2. The required number of marked

parking spaces and time periods under which each Parcel will have rights to count spaces for purposes of the space requirements of the Municipal Code are set forth in Exhibit A. At the sole cost of Owner of Parcel 2, Owner of Parcel 1 shall erect signage designating spaces for use by Parcel 2 and giving notice of times when such spaces are reserved.

5 **Maintenance.** The cost of maintenance and repair of the Joint Use Area in a usable, neat, and uniform manner shall be shared by the owners of the respective Parcels as follows: 73.61 percent to Parcel 1 and 26.39 percent to Parcel 2.

6 **City Approval.** City approves the easements herein as satisfying City’s conditions for zoning approvals. Owner agrees for Owner and for Owner’s successors and assigns that the easements described herein shall not be released, terminated, or the uses materially diminished without the consent of City. City agrees that consent to modification or termination shall not be unreasonably withheld. City and Owner agree that after having given 30 days’ notice to the City that the use upon Parcel 2 for which this record was established has terminated, Owner of Parcel 1 may record an instrument documenting such termination of use and notice.

7 **Interpretation.** Words and phrases used in this instrument shall be construed as in the single or plural number, and as masculine, feminine, or neuter gender, according to the context. This instrument shall be governed exclusively by and construed in accordance with the laws of the State of Iowa. The paragraph headings in this instrument are for convenience only and in no way define or limit the scope or intent of any provisions of this instrument.

In Witness of this Instrument, Owner and City have executed this record as follows:

**CONTINUE CARE REAL ESTATE HOLDINGS, LLC, Owner**

Dated April \_\_\_\_\_, 2021

By: \_\_\_\_\_  
**Timothy R. Grandon, Member**

**STATE OF IOWA, COUNTY OF STORY, SS.:**

Timothy R. Grandon as member of Continue Care Real Estate Holdings, LLC, acknowledged this record before me on April \_\_\_\_\_, 2021.

Place STAMP of Notarial Officer Below

\_\_\_\_\_  
**NOTARY PUBLIC**

Approved by the City Council of the City of Ames, Iowa, at a meeting thereof on the \_\_\_\_ day of \_\_\_\_\_, 2021.

Dated the \_\_\_\_ day of \_\_\_\_\_, 2021.

CITY OF AMES, IOWA

Attest:

By: \_\_\_\_\_  
John A. Haila, Mayor

By: \_\_\_\_\_  
Diane R. Voss, City Clerk  
Space below reserved for City SEAL

STATE OF IOWA, COUNTY OF STORY, SS.:

John A. Haila and Diane R. Voss as mayor and city clerk of the City of Ames, Iowa, acknowledged this record before me on the \_\_\_\_ day of \_\_\_\_\_, 2021.

Place STAMP of Notarial Officer Below

\_\_\_\_\_  
NOTARY PUBLIC

*Exhibit A*

**Required number of marked parking spaces:**

20.

**Parcel 1 designated use times:**

For 3 hours per day, not more than 12 days each month.

**Parcel 2 designated use times:**

All other times of day.