

Memorandum

MM16-052

To: File
From: Michael A. Fowler, P.E., Director of Public Works
Date: August 22, 2016
Re: RFP – Solid Waste Disposal Contract

The Department of Public Works solicited bids for a Request for Proposal (RFP) for solid waste disposal. The Town's contract with Casella Waste expires on December 31, 2016. Currently, Derry's solid waste is disposed at Covanta in Haverhill, MA at a cost of \$63.54 per ton. Casella had made this arrangement once their Maine Energy Recovery facility was closed in 2013. This RFP seeks to secure a vendor for approximately 9000 tons annually for a five year period through December 31, 2021.

The RFP included several paragraphs to describe the basis of award.

Price	2017	2018	2019	2020	2021
Casella	\$52/tn	\$53.04/tn	\$54.11/tn	\$55.19/tn	\$56.30/tn
Covanta	\$64/tn	\$66/tn	\$68/tn	\$70/tn	\$72/tn
WM	\$72/tn	\$73/tn	\$74/tn	\$75/tn	\$76/tn
Wheelabrator	\$70/tn	\$72/tn	\$75/tn	\$78/tn	\$80/tn

Location

Wheelabrator	Incinerator – North Andover, MA	44 miles RT
Covanta	Incinerator – Haverhill, MA	46 miles RT
WM	Turnkey Landfill – Rochester, NH	80 miles RT
Casella	North Country Landfill – Bethlehem, NH	222 miles RT

NHDES Hierarchy of Waste

Covanta	Waste to Energy
Wheelabrator	Waste to Energy
WM	Landfill
Casella	Landfill

Hours of Operation

Covanta	M-F – 3am to 6pm, Saturday 6am to noon
Wheelabrator	M-F – 6am to 5pm, Saturday 6am to noon
WM	M-F – 7am to 430pm, Saturday 7am to 1pm
Casella	M-F – 7am to 4pm, No Saturday

Analysis

After reviewing each proposal in detail, I recommend contract award to Covanta. Covanta is rated first or second in all categories scored. The following points are offered to justify the recommendation:

- Covanta's facility in Haverhill, MA is tied with Wheelabrator for the shortest haul.
- Covanta has the most available operating hours to meet Derry's MSW disposal needs.
- Covanta's facility is a waste-to-energy facility, which is promoted within the NHDES hierarchy of waste disposal. NHDES predicts that landfill space will be expired at Casella-NCES by 2021 and WM Turnkey by 2022.
- The Town has had a very successful relationship with Covanta since 2014 with efficient disposal and a limited number of maintenance related delays.
- A round trip to Haverhill has been typically 2-3 hours maximum. Alternately, a round trip to Casella in Bethlehem, NH may take 6-8 hours in winter conditions.
- Covanta's tipping fee was second lowest of the group. Most importantly, Covanta's rate was \$6 - \$8 lower than the competing WTE incinerator at Wheelabrator.
- Casella's submission of the lowest tipping fee should be carefully reviewed when factoring in hauling costs. The Town is contracted through December 31, 2019 with a contract hauler. Current hauling costs are \$279 per load round trip to Haverhill – Covanta. This equates to \$15.50 per ton in hauling cost based on an average 18 ton load. The same load taken to Casella in Bethlehem, NH has been quoted as \$625 per load or \$ 34.72 per ton. The effective net disposal rate would be higher (\$86.72 Casella vs. \$79.50 Covanta) due to the increased hauling costs. It is also not practical to subject Derry's fleet of four trash trailers to be subjected to four times the road wear due to the mileage, leading to additional repair costs for items such as tires, brakes and hydraulics.

Based on the analysis presented above, the proposal provided by Covanta is deemed to be in the best interest of the Town of Derry. The contract is awarded to Covanta for the period of January 1, 2017 to December 31, 2021.