

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING ) RESOLUTION NO. 96-2314  
CHANGE ORDER NO. 18 TO THE CONTRACT ) Introduced by Mike Burton  
FOR OPERATING METRO CENTRAL STATION ) Executive Officer

WHEREAS, Metro entered into an agreement with Trans-Industries (BFI) on December 8, 1989 to operate the Metro Central Transfer Station; and

WHEREAS, Metro's disposal contract with Oregon Waste Systems requires that Metro deliver to Columbia Ridge Landfill 90 percent "of the total tons of acceptable waste (other than ash) which Metro delivers to any general purpose landfill(s)" during a calendar year ( the "90 percent guarantee clause"); and

WHEREAS, solid waste that Metro delivers to a limited purpose landfill is not subject to the 90 percent guarantee clause; and

WHEREAS, Metro can reduce its system disposal costs by segregating dry waste for disposal at a limited purpose landfill; and

WHEREAS, by making minor modifications to Metro Central Station, it is believed that BFI can segregate dry waste from general municipal waste delivered to the facility, transport and dispose of it at a limited purpose landfill, at substantial cost savings to Metro: and

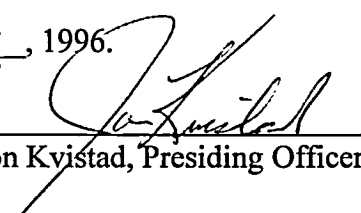
WHEREAS, Change Order 18 to Metro's contract for operation of Metro Central Station, attached as Exhibit "A," will allow BFI to make facility modifications, segregate and dispose of dry waste delivered to the facility at a limited purpose landfill; and,

WHEREAS, The resolution was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now therefore,

BE IT RESOLVED,

That the Metro Council authorizes the Executive Officer to execute Change Order No. 18 to the Metro Central Station Operations Contract No. 901584 which is attached as Exhibit "A".

ADOPTED by the Metro Council this 16<sup>th</sup> day of May, 1996.

  
\_\_\_\_\_  
Jon Kvistad, Presiding Officer

Approved as to Form:

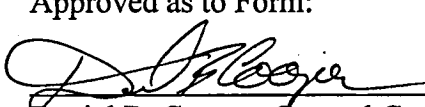
  
\_\_\_\_\_  
Daniel B. Cooper, General Counsel

EXHIBIT "A"

MODIFICATION TO THE CONTRACT BETWEEN  
METRO AND TRANS INDUSTRIES, ENTITLED  
"1989 METRO CENTRAL TRANSFER STATION OPERATIONS AGREEMENT"

In exchange for the promises and other consideration set forth in the original agreement and in this Change Order, the parties agree as follows:

**A. Purpose**

The purpose of this Change Order is to establish a pilot program for alternative disposal of dry waste delivered to Metro Central Station, and to authorize facility modifications to accommodate segregation of dry waste.

**B. Terms of Change Order**

1. The Contractor shall segregate dry waste suitable for disposal in a limited purpose landfill from the general waste delivered to the Facility, and make all necessary arrangements for transport and disposal of such waste at a limited purpose landfill, which has a bottom that is lined with a composite liner consisting of compacted low-permeable soil and a geomembrane, or Columbia Ridge Landfill (under an arrangement separate from Metro's existing disposal contract with Oregon Waste Systems, Inc.) . Metro shall pay Contractor \$33.73 for each ton of dry waste processed, transported and disposed of by Contractor under this Change Order. This per ton payment represent the entire payment to be made to Contractor for this category of waste, and is not subject to CPI or any other adjustment during the term of the pilot project.
2. Due to Metro contractual restraints, Contractor shall only deliver segregated dry waste to a limited purpose landfill, or to the Columbia Ridge Landfill near Arlington, Oregon. Prior to delivery of any waste, Contractor shall notify Metro of the proposed waste disposal site. Metro reserves the right to reject a disposal site proposed by Contractor.
3. Contractor shall modify the existing "alley" between the "400" and "500" municipal waste process lines at the Facility by removing sections of the previously decommissioned 500 line and installing a 7 to 8 foot high steel wall on each side of the alley to help direct the dry waste as it is pushed from the Bay 2 picking floor to the appropriate densifier. Contractor may dismantle all or a portion of the 500 line and shall have no further responsibility to maintain the line once it is dismantled. Contractor may use components from the 500 line to support and maintain the 400 line and Fiber Based Fuel line as deemed appropriate by Metro. After consulting with and obtaining approval from Metro, Contractor may sell any component of the 500 line that cannot reasonably be used by Contractor at the facility. Contractor shall seek competitive bids for all components sold, and shall remit or credit to Metro all funds received from the salvage of 500 line components.

4. Metro shall reimburse Contractor for its Direct Costs of dismantling and salvaging the 500 line to create the "alley" and of manufacturing and installing the "alley" walls, to the extent of Cost Substantiation, but not to exceed \$20,000.
5. Contractor shall commence modifications on the effective date of this Change Order and use best faith efforts to complete the modifications within 45 days.
6. All transfer trailers used to transport dry waste shall be fully covered with a tarp or screen such that no waste leaves the container during transport. Contractor retains full responsibility for compliance with law and all other aspects of the transport and disposal operation.
7. Metro may terminate this Change Order at any time, by providing written notice to Contractor. Upon termination, Metro shall reimburse Contractor for its Direct Costs incurred prior to termination, to the extent of Cost Substantiation.
8. Except as modified herein, all other terms and conditions of the original agreement and previous change orders remain in full force and effect.

TRANS INDUSTRIES, INC.

METRO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Steven Miesen - District Manager

\_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 96-2314 FOR THE PURPOSE OF AUTHORIZING CHANGE ORDER NO. 18 TO THE CONTRACT FOR OPERATING METRO CENTRAL STATION

Date: March 21, 1996

Presented by: Jim Watkins

## PROPOSED ACTION

Adoption of Resolution No. 96-2314 would authorize the Executive Officer to execute Change Order No. 18 to the contract between Metro and Trans Industries for the operation of the Metro Central Station.

## Factual Background and Analysis

Metro's disposal contract with Oregon Waste Systems requires that Metro deliver to Columbia Ridge Landfill 90 percent "of the total tons of acceptable waste (other than ash) which Metro delivers to any general purpose landfill(s)" during a calendar year. Solid waste that Metro delivers to a limited purpose landfill is not subject to this clause, known as the "90 percent guarantee clause."

Generally, a limited purpose landfill cannot accept putrecible waste, but can accept a wide variety of demolition waste and other "dry" waste. Hillsboro Landfill is considered to be a limited purpose landfill.

Metro estimates that 300,000 tons of dry waste is received annually at Metro's two transfer stations, over half of which is received at Metro Central. As a demonstration, the Contractor at Metro Central diverted waste for one day and stockpiled it for examination by staff. Based on this trial, the operator's experience and staff's analysis, staff believes that up to 50,000 tons of dry waste, suitable for disposal at a limited purpose landfill, could ultimately be diverted from Metro Central each year.

While staff estimates that a similar amount of dry waste is received at Metro South, segregation is more difficult due to the pit design. However, we are investigating dry waste segregation options at Metro South as well.

The primary issues related to diverting dry waste are: 1) how much dry waste is currently available; 2) what is the economic feasibility of diverting dry waste; and 3) how much dry waste will be available in the future given the number of pending and proposed applications for Material Recovery Facility (MRF) franchises? To address the first and second issues, staff is proposing Change Order No. 18, which will authorize a pilot dry waste segregation program at Metro Central. The pilot project will expire on October 1, 1996 or when the current operations contract expires.

Change Order No. 18 would require Metro to pay the station operator \$33.73 per ton for processing, transporting and disposing of dry waste delivered to Metro Central. This amounts to a \$4.40 per ton savings to Metro compared to transporting and disposing of the waste at Columbia Ridge Landfill.

In order to facilitate the segregation of dry waste from mixed municipal waste, Metro will reimburse the Contractor for the cost of modifying the existing alley between the "400" and "500" municipal waste process lines by removing sections of the previously decommissioned "500" line. The modifications will provide direct access to the middle compactor and an open area. The open area will be used to process the waste by removing recyclable material and any wet waste that is not acceptable for disposal at a limited purpose landfill. The Change Order provides that the cost to Metro of the modifications cannot exceed \$20,000.

The "500" waste processing line will be dismantled. The line has never operated and Metro was reimbursed for it as part of a prior \$1,930,938 settlement with the Contractor. (In the settlement, the Contractor reduced the Facility Price to compensate Metro for the materials recovery system's failure to pass the Acceptance Test.) The Change Order would authorize the Contractor to sell any components of the 500 line that cannot be reused. Metro will receive the salvage value of all components sold.

For the long term, staff is currently reviewing two options. The first option is for Metro to competitively bid the transport and disposal of the dry waste and only pay the Contractor for the cost of loading the dry waste at the transfer station. A second option is to require proposers for the rebid of the transfer stations to include the cost of transport and disposal of dry waste in their proposals. However, additional processing equipment may be needed to maximize dry waste diversion. Staff wishes to reserve recommendations for long term options until cost and efficiency data from the pilot project can be evaluated.

### BUDGET IMPACT

Staff estimates project savings of over \$4,000 per week if the Contractor can successfully divert up to 200 tons per day. The cost of the facility modifications has been capped at \$20,000 and will come from savings in the General Account due to the delay in constructing the maintenance building at the St. Johns Landfill.

### EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 96-2314.