



MSD BOARD OF DIRECTORS

MINUTES OF DECEMBER 29, 1975, MEETING

SPECIAL MEETING

Action Record No. 75-449

BOARD MEMBERS IN ATTENDANCE

Robert Schumacher, Chairman
Charles Becker
Miller Duris
Mel Gordon
Connie McCready

ADVISORS IN ATTENDANCE

Dean Gisvold, Attorney
Bob Brown, DEQ

GUESTS IN ATTENDANCE

List attached

STAFF IN ATTENDANCE

Merle Irvine
Cordell Ketterling
Jean Woodman

There being a quorum present, the Board considered the MSD/Parker Northwest Contract for design, operation, construction and management of the South Transfer/processing Station. The final processing figures received from Parker Northwest included in the contract are a basic rate of \$10.58 per ton and an overage rate of \$3.20 per ton. Staff projects that these processing rates and other contract rates would result in an average net disposal fee to the user of \$7.33 per ton through Phase II of the project and an average net disposal fee to the user of \$8.26 per ton through Phase III of the Program. Mr. Irvine stated that the \$10.58 processing fee impacted the net disposal fee for Phase II only. If alternate proposals such as C.W.S.I and RRB, could be implemented, the projected Phase III disposal fee could be less. The difference in Parker's processing fees and those projected by staff are due mostly to normal escalation of costs, increases resulting from labor negotiations, air classification equipment increases, scalehouse and billing operations, and inclusion of operation and maintenance of the conveyor system to Publishers Paper for light combustible fuel.

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There was some discussion on the City of Portland's Resolution of Support for the Solid Waste Program and the condition that they review any significant increases in costs, and it was agreed that a review by the City Council was necessary. The Board also discussed the inclusion of reimbursement to the counties of nuisance abatement funds which they normally received from disposal, and it was agreed that the increase in cost the nuisance abatement program caused was minimal and did not warrant its deletion from the contract.

Mr. John Veatch, of Parker Northwest, submitted a letter indicating that Parker Northwest did not have a firm commitment from their finance people, but that the commitment would be disclosed to MSD prior to January 26, 1976. He stated that the lack of commitment was Parker's inability to contact their financial source. Both MSD and Parker Northwest would be signing the contract contingent upon their individual fundings.

The staff reviewed the alternatives the Board could employ to not signing the MSD/Parker Northwest contract. One alternative would be to negotiate with Continental Resource Recovery Company as the second bidder selected by the RFP Proposal Evaluation Team, however, staff felt doubtful that a contract could be developed in time to meet with the Emergency Board. Staff also indicated that under new legislation, if the contract was not signed by January 1st, the project would be required either to go to bid or submit a request for exemption of the bidding process to the State Contract Review Committee. If this alternative were selected it would be doubtful again if the process could be completed during the remaining budget life of MSD. Another alternative before the Board would be to consider other proposals before the Board, however, these proposals incorporated only portions of the system. Staff recommendation was to sign the MSD/Parker Northwest contract at the given contract rates, assuming that the revenue from the light fuel fraction will be higher than the \$4.50/per ton figure used in the staff's projections.

Commissioner Gordon felt there was little alternative before the Board other than to approve the contract at the rates presented. He also felt that the City Council should be approached as to the higher costs, and that the MSD Board members should contact the Legislators in their areas concerning these increased rates.

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Commissioner Gordon moved to approve the MSD/Parker Northwest agreement for design, construction management and operation of the MSD Solid Waste Management Program with the basic rate of \$10.58 and overage rate of \$3.20, and the inclusion of typographical amendments and authorize the Chairman to sign the contract. Councilman Becker seconded the motion.

The motion carried unanimously by roll-call vote.

Mr. Gisvold gave a brief status report on the two firms bidding on the ferrous recovery material, and the Board reiterated their previous direction for the Chairman to sign with the firm staff feels would provide MSD with the best price.

The Special Board meeting for consideration of the MSD/Parker Northwest contract adjourned at 1:40 P.M.