

MINUTES OF THE COUNCIL SOLID WASTE COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

June 8, 1989

Council Chamber

Committee Members Present: Gary Hansen (Chair), Roger Buchanan and Mike Ragsdale

Committee Members Absent: Sharron Kelley (Vice Chair) and Judy Wyers

Chair Hansen called the special meeting to order at 3:30 p.m.

1. Consideration of Resolution No. 89-1104, for the Purpose of Exempting Proposals for the Metro East Station from Competitive Bidding Procedures

Chair Hansen asked Dan Cooper, General Counsel, why Resolution No. 89-1104 was necessary legislation.

Mr. Cooper stated it was necessary to adopt Resolution No. 89-1104 because when Executive Officer Cusma with Council concurrence issued Addendum No. 1 to the Request for Proposals (RFP) for private transfer station proposals which were authorized by the Metro Franchising Code, Addendum No. 1 also required proposers to submit proposals for a possible public ownership option. Mr. Cooper said the proposals for the public ownership option was probably an RFP to enter into probably a public contract which would then be subject to ORS Chapter 279 and the Metro Contracting Code. He said those provisions precluded the use of an RFP process to enter into a public contract unless the Contract Review Board made specific claims and granted a specific exemption from the Request for Bid (RFB) process. He said the resolution made those findings which the Contract Review Board would adopt and thereby authorize that exemption from the RFB procedures. He referred to the letter from himself to Chair Hansen and the resolution printed in the agenda packet.

Councilor Ragsdale asked why exemption language was repeated in Sections 1 and 3 of the resolution. Mr. Cooper explained that the attorney of a prospective private ownership proposer wrote a letter which stated such findings would be necessary for the franchise proposal. Mr. Cooper disagreed with that opinion and did not believe such findings were necessary for a franchise proposal because it was outside of the public contracting requirements. He said there could be conflicting opinions, potential vendors could be dissatisfied with proposed locations and therefore, he recommended the findings as stated in Resolution No. 89-1104 should be adopted because Metro did not think the findings were necessary, but if so, Metro would make those findings. He said the resolution was a precautionary measure.

Mr. Cooper said it was necessary to repeat the language because it had to be stated in Section 1 and was repeated in Section 3 because of a parallel finding Metro found for the private proposals.

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Main Motion: Councilor Ragsdale moved to recommend adoption of Resolution No. 89-1104 by the full Council.

Vote: Councilors Buchanan, Hansen and Ragsdale voted aye. Councilors Kelley and Wyers were absent. The vote was unanimous and the motion passed.

Chair Hansen noted members of the public were present and opened a public hearing.

Tom Cropper, private citizen, asked the Committee if adoption of the resolution was necessary because Metro would not receive enough bids.

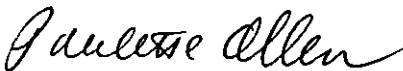
Mr. Cooper said the law provided that without the exemption contained in the resolution, the bidding process, regardless of the number of bidders expected, was one in which Metro prepared specifications and asked for bids based on price only. He said if a potential vendor was qualified to make the bid and capable of performing the bid, Metro must then award to the lowest responsive bidder based on that pricing criteria alone. He said the exemption would allow the Council to take into account when determining the award of the contract factors other than price such as recycling criteria set forth in the RFP and other qualitative criteria objectively set forth. He said the exemption in the resolution freed Metro from consideration of the cost factor only. Mr. Cooper said it did not have to do with a limited number of proposers and said adoption of the resolution would not restrict competition and would allow a competitive process open to true competition.

Chair Hansen closed the public hearing. Chair Hansen asked for a revote on the motion.

Revote on the Main Motion: Councilors Buchanan, Hansen and Ragsdale voted aye. Councilors Kelley and Wyers were absent. The vote was unanimous and the motion passed.

Chair Hansen adjourned the special meeting at 3:40 p.m.

Respectfully submitted,



Paulette Allen
Committee Clerk

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MINUTES OF THE COUNCIL SOLID WASTE COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

May 23, 1989

Council Chamber

Committee Members Present: Gary Hansen (Chair), Sharron Kelley (Vice Chair), Roger Buchanan, Mike Ragsdale and Judy Wyers

Committee Members Absent: None

Chair Hansen called the meeting to order at 5:41 p.m.

1. Consideration of Minutes of March 30, 1989

Motion: Councilor Ragsdale moved for approval of the minutes.

Vote: Councilors Buchanan, Kelley and Ragsdale voted aye. Councilors Hansen and Wyers were absent. The vote was unanimous and the motion passed.

2. General Staff Reports

Jim Watkins, Engineering and Analysis Manager gave a brief staff report on the current status of several solid waste projects. He said the renewed Metro contract to operate Metro South Station had recently been signed. He said staff would provide a materials recovery incentive.

3. Status Report on Public vs. Private Evaluation for Metro East Station

Jim Fitz and R.W. Wong of R. W. Beck, Inc., (RWB) gave a status report on the private vs. public evaluation of potential Metro East Station sites. Mr. Fitz said the first report covered the beginning stages of site evaluation. He said staff asked RWB to develop a conceptual design and to provide analyses of both ownership options. He said RWB paid more attention to the assessment of both options and addressed the Request for Proposals (RFP) as written. He discussed the schedule of events under which the evaluation would be performed and completed. He noted Metro would not have to deal with the financing aspects and that Metro only had to pay a service fee with no bonding involved.

Mr. Fitz said when the proposals were received, Metro should formulate a project team to evaluate the proposals. He said persons with experience in negotiations were necessary, including a financial advisor, an investment banker, a construction expert and a geology/hydro-geology expert.

Chair Hansen asked if RWB would look at straight Metro ownership or the option of Metro ownership after five-year increments. Mr. Fitz said Metro could assume ownership when the facility began operation. Chair Hansen said potential vendors could slant the facility price to make complete private operation seem a preferable option. Mr. Fitz said RWB would provide realistic cost estimates. He said those estimates could not be at

the level of detail the proposers would deliver. He agreed with Chair Hansen that proposers could make public ownership appear unattractive. He said the best option was to open the RFP to all competition and make it clear both options would be analyzed on an equal basis. Chair Hansen asked how much time was needed to generate revenue bonds. Mr. Fitz said the process was tied to the contractual process with the operator, builder and developer. He noted Metro's arrangements to finance a compost facility were intricate. The Committee and Mr. Fitz discussed financing and site detail exploration further.

Mr. Wong said traffic was one of the larger concerns especially with regard to the permitting process. He said a permit from the Department of Environmental Quality (DEQ) would take at least six months. Councilor Kelley asked about the center of waste and traffic arterials. Mr. Fitz said concerns centered around facility size, wetlands, and environmental concerns which reduce the developable area.

Councilor Buchanan asked to what degree existing traffic studies would be used. Mr. Fitz said existing traffic studies would be used and that Metro was doing a current analysis also. He said under available budget and timeframe constraints, it was difficult to be completely specific.

Mr. Fitz concluded RWB's presentation and said Metro had extreme time lines because of the St. Johns Landfill closure, the solid waste delivery date to Arlington, and said the Metro East Station project was compressed into a timeframe of two years. He said unless such considerations could be relaxed, Metro could not look at all the additional development options. Mr. Fitz said RWB had worked hard to provide Metro with the best public option possible. Chair Hansen told staff to be aware of methods to extend timelines and also to keep in mind any possible interim facilities if the need arose.

4. Discussion of Possible Methods of Speeding Up Construction Process for Metro East Station

Chair Hansen said he thought this meeting was a good time to schedule a discussion on construction of the Metro East Station.

Neil Saling, Construction Projects Manager, discussed the RFP addendum and some details that had changed including site acquisition. He said there were two standard construction methods with which to build a facility like Metro East. He said one was called the "turn-key" system in which a single-entity contractor would build a well-defined facility and then give the owner the key. He said the second method was the "fast-track" method which Metro was doing. He said that method also involved a well-defined facility such as Metro East. He said the disadvantage to the latter method was that it involved a more piecemeal process than the former method. He said actual construction would begin in 14 months.

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Mr. Saling said Metro would approach a single entity, ask them to complete the site, and said it would devolve on how well Metro could design the facility. He said it was up to the vendor to provide a facility that fit the necessary requirements. He said because of public versus private RFPs, vendors necessarily had to give complete costs broken down into phases. He said there was no formula to complete construction faster than already possible.

Chair Hansen asked if any time would be saved if only certain sites were considered. Mr. Saling said time could be saved if wetlands were not used. He discussed prebuilt factors. He said items beside actual construction that could save time would be the acquisition of necessary permits and the consideration of environmental factors. He said RWB's preliminary work was extremely useful. He noted the Convention Center Project spanned 17 city blocks.

Councilor Kelley asked if would be possible to run an interim transfer facility at the St. Johns Landfill or any other possible sites. Mr. Saling said it was important to have some alternative, but did not think it feasible to use St. Johns after January 1991. Councilor Kelley said Metro could not violate their contract with Oregon Waste Systems, Inc. (OWS), but asked if it would be possible to ship waste from an alternative site. Mr. Saling said that contract required compacted waste and said it would be difficult to answer that logistically. He said it would be necessary to build a mini-transfer station in that case.

Councilor Buchanan said he had toured solid waste facilities built in three to four months. Mr. Saling said speed of construction depended on the type of facility necessary to be built and said different facilities required different components. Councilor Buchanan asked if a primary facility could be built and other necessary aspects developed afterwards. Mr. Saling said that was an issue for Solid Waste staff to consider. He said a concrete skeleton could be built to house the compactor and pit in six months, but said it was not advisable because such construction would have to be rebuilt. He said the facility was meant to have a shelf life of at least 20 years. Councilor Buchanan asked if it were possible to invite Browning-Ferris Industries (BFI) and any other vendors to tell Metro how they built their facilities quickly. Mr. Saling said that would depend on how much preparation they had done and whether they had used prefabricated materials. Councilor Hansen asked what the current cost estimate was before Metro did decide on the public or private option. Mr. Saling said the estimate was \$15 million. He said the general rule was to allocate 6 to 12 percent of the total cost for the design which in this case would range from \$750,000 to \$1.5 million. He said it depended on what was necessary. He said geotechnical considerations made it more costly to build a facility also.

Chair Hansen requested staff to provide a break-down of different design aspects. He asked what the geotechnical requirements were required with

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the fast-track method and how early, and also the same questions of the turn-key method. He asked what preliminary designs and other items were required to continue from the concept stage. Mr. Saling said these questions led back to what was required to take place before the structure could be built. Mr. Saling concluded his presentation and discussed other major considerations including acceptance to the public, traffic and environmental considerations.

Chair Hansen adjourned the meeting at 6:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paulette Allen".

Paulette Allen
Committee Clerk
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