

CARSON CITY MATERIAL RECOVERY AND WASTE-TO-ENERGY FACILITY RFP/RFQ SUBMITTAL REVIEW

March 12, 2010

BACKGROUND

On December 16, 2009, Carson City published a Request for Proposal and Statement of Qualifications (RFP/RFQ) for the development and operation of a material recovery and waste-to-energy facility for processing the City's solid waste.

The RFP/RFQ established the following minimum Performance Criteria/Components for the facility:

- 70% diversion rate of waste by 2015 utilizing Material Recovery Facility (recyclables) Organics to energy facility
- Secure 100 years of sustainable processing and disposal capacity
- Include an educational center
- Self-sustaining
- Costs to include operation, closure and post closure of landfill
- Provide income stream to General Fund
- Minimize facility's environmental impacts

The RFP/RFQ established requirements for the facility concept to be described in each company's submittal. The description requirements included:

- The development of a facility to provide an income stream from the operation of the facility for the General Fund of Carson City, at a base of fourteen dollars (\$14) per ton for the total waste inflow from all sources.
- Land and other infrastructure requirements.
- Type and amount of City waste requested.
- Estimated capital and operating cost of the program or project.
- Marketable products produced and their values.
- Proposed financing method(s), including possible grants.
- Estimated gate fees and structure.
- Preferred structure of public-private partnership with the City.
- Contractor's preference regarding the inclusion or exclusion of Douglas County's waste and its likely impact on the project.
- Percentage of waste diverted from landfill.
- Percentage of waste reused and/or recycled.

- Estimated characteristics of residual waste stream to be landfilled.
- Amount of clean, renewable energy or fuel generated (per ton of waste).
- Life-cycle greenhouse gas (GHG) emission reductions (per ton of waste) compared to landfilling as a baseline, itemized by reuse, recycling, energy production, landfill gas capture, and source reduction activities (as appropriate).
- Facility energy balance/budget.
- Facility water balance/budget.
- Potential adverse environmental impacts and mitigation measures (noise, air quality, traffic, etc.).

A development schedule was required to be presented in the response to the RFQ/RFP. The schedule was to include all major milestone activities and the following:

- Completion of site specific preliminary design
- Completion of the environmental review process
- Receipt of all major permits and entitlements
- Financing and possible grant availability
- Final design
- Construction
- Facility Startup
- Phasing Plan

A description of the qualifications of the firm responding to the RFP/RFQ was required that included the following:

- Staff qualifications
- Company Qualifications
- Any other companies with "significant substantive responsibilities"
- Company Description
 - Year Formed
 - Where incorporated
 - Number of years in the field
 - List of pertinent services
- References

SUBMITTALS RECEIVED

Eight responses to the RFP/RFQ were received by February 24th. The companies submitting were:

- Applied Soil Water Technologies, LLC of Sparks, Nevada
- Carlton Engineering, Inc. of Shingle Springs, California
- Comprehensive Resources, Recovery & Reuse, Inc. (CR3) of Reno, Nevada
- Kamehameha Environmental, LLC of Carson City, Nevada
- Mustang Renewable Power Ventures, LLC of San Luis Obispo, California
- Recology Waste Zero, Inc. of San Francisco, California
- Waste Management of Nevada, Inc. of Reno, Nevada
- Zero Waste Energy, LLC of San Jose, California

SUBMITTAL REVIEW

An initial review of the submittals was conducted by a team of Carson City and consultant staff. None of the submittals responded completely to all information requested by the RFQ. Some of the submittals that were clearly non responsive or did not submit sufficient information do not warrant any further consideration. The other submittals were partially responsive, but additional information is needed to provide a common basis for comparison. The responses have been segregated into the following categories based on the degree of responsiveness to the RFP/RFQ:

I. Non Responsive (Recognized in Submittal) – No further Consideration recommended

- Carlton Engineering , Inc. of Shingle Springs, California
- Waste Management of Nevada, Inc. of Reno, Nevada

Both submittals indicated explicitly in their letter of transmittal that the information submitted was not responsive to the RFQ.

II. Non Responsive (Insufficient information) – No further Consideration recommended

- Comprehensive Resources, Recovery & Reuse, Inc. (CR3) of Reno, Nevada
- Kamehameha Environmental, LLC of Carson City, Nevada

Neither submittal included sufficient information as requested in the RFQ for a meaningful comparison to the other submittals. For example, neither submittal included a financial analysis, estimate of revenue to the City, or manpower requirements.

III. Partially Responsive but Insufficient Revenue for City – No further Consideration recommended

- Applied Soil Water Technologies, LLC of Sparks, Nevada
- Mustang Renewable Power Ventures, LLC of San Luis Obispo, California

Both submittals responded to much of the information requested in the RFQ, but did not indicate that the basic requirement of providing \$14/ton of revenue for the City could be met. Both submittals also proposed projects with much higher capital cost estimates than the other responders. Mustang Renewable Power Ventures indicated less than \$2 per ton of revenue to the City while the project capital cost was estimated at \$115.5 million. Applied Soil Water Technologies indicated no revenue to the City while the project capital cost was estimated at \$50 million to \$59 million. In addition, Applied Water Technologies failed to submit a financial analysis.

IV. Partially Responsive (\$14/ton Revenue indicated to City)

- Recology Waste Zero, Inc. of San Francisco, California
- Zero Waste Energy, LLC of San Jose, California

Both submittals responded to much of the information requested in the RFQ and indicated that approximately \$14/ton revenue would be provided to the City.

RECOMMENDED EVALUATION PROCESS

The submittals received from Recology Waste Zero, Inc and from Zero Waste Energy, LLC contained enough information to conclude that they may meet the requirements established by Carson City for their proposed facilities. Additional information will be required, however, to be able to ascertain that this is the case and to be able to evaluate the two concepts on a common basis. In order to accomplish this, the recommended next step in the evaluation process will be to prepare a series of questions and a request for specific additional information from each of the two proposers