

**INDIAN RIVER COUNTY
OFFICE OF MANAGEMENT AND BUDGET
PURCHASING DIVISION**

DATE: January 27, 2019

TO: SOLID WASTE DISPOSAL DISTRICT BOARD OF COMMISSIONERS

THROUGH: Jason E. Brown, County Administrator
Kristin Daniels, Budget Director

FROM: Jennifer Hyde, Purchasing Manager

SUBJECT: Unsolicited Public Private Partnership for Landfill

BACKGROUND:

Section 255.065, Florida Statutes (“Public-private partnerships; public records and public meetings exemptions”) facilitates the procurement and financing of “qualifying projects” which serve a public purpose through the development of a “comprehensive agreement” between a responsible public entity and a private entity. The basic tenant of a public-private partnership is to enable the two entities to work together for a public project the public agency could not fund or facilitate on its own.

Section 3 states “a responsible public entity may receive unsolicited proposals or may solicit proposals for a qualifying project and may thereafter enter into a comprehensive agreement with a private entity, or a consortium of private entities, for the building, upgrading, operating, ownership or financing of facilities.” “Qualifying projects” are described as facilities or projects that serve a public purpose or that are used or will be used by the public at large or in support of an accepted public purpose or activity. The designation of a project as a “qualifying project” under this section is left to the discretion of the public entity’s governing board. Oyster Bar Marsh Trail development, funding, operation and maintenance is an example of a qualifying project procured under the public-private partnership statute.

On October 12, 2018, the Indian River Eco-District submitted an unsolicited public private partnership (P3) proposal to the Solid Waste Disposal District (SWDD) through the Purchasing Division for physical improvements to and operation of the yard waste facility at the Indian River County Landfill, as well as the processing and/or purchase of other materials produced or accepted at the Landfill. The primary improvement proposed to benefit SWDD was the installation of a concrete pad in the yard waste dropoff area.

The submitted proposal was reviewed and determined to meet the minimum requirements for consideration as a potential qualifying project based on basic information provided and the proposed physical upgrade to the yard waste facility to benefit the SWDD. In compliance with the P3 statute, a Notice of Receipt of Unsolicited P3 Proposal and Invitation to Submit Proposals was

published in the Indian River Press Journal and Florida Administrative Register on October 26, 2018 and November 2, 2018 with a deadline for proposals of December 12, 2018. Two additional proposals were submitted.

After review of the proposals in terms of the public's best interest, staff is recommending the SWDD Board reject all proposals and authorize issuance of new solicitations to facilitate the appropriate portions of proposed projects. This action is authorized in the P3 statute.

ANALYSIS:

A committee comprised of Himanshu Mehta, P.E., SWDD Managing Director, Vincent Burke, P.E., Utilities Director, Ryan Sweeney, MSP, Senior Planner, Rich Szpyrka, P.E., Public Works Director and Kristin Daniels, CGFO, Budget Director, independently evaluated and scored the received proposals in accordance with 255.065, F.S. and the County Purchasing Manual. Evaluation criteria recommended by section 255.065 were professional qualifications, general business terms, innovative design techniques or cost-reduction terms, and finance plans.

The committee then met and developed an initial ranking of proposals as follows:

1. Indian River Eco-District
2. Synagro-WWT
3. Gen-2, LLC

Several criteria are established in the P3 statute to enable a responsible public entity to approve a comprehensive P3 agreement. Most notably, prior to entering into an agreement, public entities must determine the proposed project is in the public's best interest and is for a facility that is owned by the responsible public entity or for a facility for which ownership will be conveyed to the responsible public entity upon completion, expiration, or termination of the comprehensive agreement.

The committee concluded none of the proposals fit the criteria to enter into a comprehensive P3 agreement. Because the committee is recommending rejection and reissuance of competitive solicitations, specific costs and details are withheld to enable our utilization of the public records exemption and ensure fair and open competition is afforded to the pending solicitations.

Indian River Eco-District (IRED) proposed to take over yard waste acceptance and processing at the landfill (services currently provided by Mr. Mulch), to purchase landfill gas created at the landfill and to crush concrete and rock received and/or stored at the landfill and Road and Bridge storage areas. The facilities proposed which would be owned by SWDD at the conclusion of the agreement are an elevated cement pad constructed at the SWDD yard waste laydown area and a 7,000 – 10,000 square foot warehouse with concrete flooring that would be used by IRED during the term of the agreement for the storage of bagged mulch, compost and soil.

Synagro-WWT proposed a composting facility on SWDD property for yard and green waste, as well as other organics, including biosolids and pre- and post-consumer food waste. The entire facility would be owned by SWDD at the conclusion of the agreement.

Gen 2, LLC proposed a waste to energy plant on SWDD property, but did not indicate the facility would become property of SWDD at the conclusion of the agreement.

The committee determined the proposed composting facility and proposed waste to energy plant are not feasible projects for the SWDD at this time.

The committee agreed improvements to the stability of the yard waste area, the recycling of stored concrete and construction and demolition (C&D) debris, and the sale rather than venting of landfill gas to be beneficial projects, but that each should be solicited independently and outside the requirements of a P3 project.

The committee recommends a solicitation to sell the generated landfill gas, rather than venting it be issued later this fiscal year.

The other two projects will be included as budget requests for fiscal year 2019/2020.

FUNDING:

The cost incurred for legal ads in response to the unsolicited P3 was \$329.20, paid from the SWDD/Landfill/Legal Ads account 41121734-034910. The anticipated cost to advertise for bids for the purchase of landfill gas is \$90 and will also be funded by the SWDD/Landfill/Legal Ads account.

RECOMMENDATION:

The selection committee recommends the SWDD Board reject the public private partnership proposals received in relation to the landfill and authorize staff to resolicit the three noted portions as funding is approved.

For February 5, 2019