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THERE IS LIGHT AT THE END OF THE TUNNEL! KEY INGREDIENTS TO A SUCCESSFUL END OF TERM ACTION PLAN

Shawn Worster, HDR

Alan Cohen, Ph. D. HDR

Susan Raila, P.E. HDR

ABSTRACT

These are critical times for customers, operators, and owners of waste-to energy technologies in the US. Many of the existing long term contracts entered into during the early to mid 80's are at or nearing their end. Communities are facing the need to decide what to do with that portion of their waste stream remaining after they reduce, reuse, and recycle. This presentation addresses the status of several waste-to-energy facilities (e.g. North East Solid Waste Committee (NESWC), Bridgeport, Pinellas, Hempstead) projects that have reached, or are nearing, the end of their initial terms, comparing and contrasting the issues between publicly and privately owned facilities. The presentation draws on the authors' direct involvement in these projects – in some cases from the project's inception to the present. Drawing on their collective seventy+ years of experience in the solid waste industry representing public sector clients, Dr. Cohen, Ms. Raila and Mr. Worster will present an overview of the factors affecting existing contracts reaching end of term, key elements to be considered by participants in identifying what their options are, typical terms and conditions and key ingredients of and how to put in place an effective action plan.

INTRODUCTION

Many of the service and operating agreements entered into by municipalities across the country during the 1980s with waste-to-energy (WTE) operators and owners are beginning to expire. Municipalities are faced with end-of-term decisions including ownership, renewal of existing contracts, maintaining regional relationships, disbanding regional affiliations and/or entering into agreements with alternative disposal facilities. The existing relationships between a municipality and the WTE facility, including ownership and contract terms, directly influence the end-of-term conversations and options. This

presentation will explore the experiences of four WTE projects: Pinellas County, Florida; North East Solid Waste Committee, Massachusetts; Greater Bridgeport Project, Connecticut; and the Town of Hempstead, New York. After describing the relationships, contract terms, and choices made at the end-of-term, the presentation will provide lessons learned from each process.

PINELLAS COUNTY, FLORIDA

Veolia Environmental was selected by Pinellas County (County) to operate the WTE facility through 2024. Selection of Veolia Environmental was the culmination of a planning process that began over five years earlier. The County made some decisions at the beginning of the end-of-term planning process which guided their actions throughout the process. The County decided that (1) it wanted to continue to own the WTE facility, (2) it did not want to operate the facility, and (3) it wanted to extend the life of the current facility, which would require a major capital investment, instead of developing a new facility or landfill. The County procured consultants to facilitate the end-of-term planning process. Through this process, the County developed their end-of-term plan in more detail to include a Request for Qualifications (RFQ) and a Request for Proposals (RFP) for an operator of the facility who would be responsible for the major capital improvements necessary to extend the life of the facility. The County entered into simultaneous negotiations with each of the three qualified firms. After each series of meetings, the RFP documents were revised and released to each firm for further revision. The final RFP was released in the summer of 2006 after over a year of negotiations. When proposals were received, the majority of the evaluation was conducted based on the price proposal, as most of the other conditions were already negotiated.