

ENROLLED ORDINANCE 169-97

AMENDMENT OF COLLABORATIVE MATERIALS RECYCLING FACILITY (“MRF”) CAPITAL PROJECT 201409 RELATING TO TRANSFER STATION AND ADDITIONAL CONSTRUCTION COSTS

WHEREAS, since 1990, Waukesha County has served as a “Responsible Unit” for recycling under Chapter 287, Wisconsin Statutes, for twenty-five (25) participating municipalities, and

WHEREAS, in April 2014, after completing a series of studies and a competitive request for proposal (“RFP”) process jointly with the City of Milwaukee, the Waukesha County Board approved Enrolled Ordinance 168-117 authorizing: 1) an intergovernmental agreement with the City of Milwaukee, and 2) concurrent City/County contracts with a private company d/b/a ReCommunity to design, build and operate a Joint City/County Material Recycling Facility (“Joint MRF”) to process single sort recyclables, and

WHEREAS, in April 2014, the Waukesha County Board also approved Enrolled Ordinance 168-118 amending the County Capital Plan for the construction of the Joint MRF (Project #201409) by increasing the project expenditure budget from \$5.4 to \$7.7 million, including \$600,000 to convert the County MRF to a transfer station, and

WHEREAS, in the spring of 2014, Waukesha County facilitated an RFP process on behalf of twenty (20) participating municipalities in Waukesha County for the collection of municipal and residential refuse, recyclables, and yard waste. This collaborative procurement process helped municipalities transition to single stream recyclable collection, reduce municipal collection costs, and improve residential recycling rates, and

WHEREAS, as part of the above-noted collection RFP process, cost alternatives provided by private hauling companies showed that hauling recyclables directly from participating municipalities to the Joint MRF in Milwaukee rather than operating a County transfer station in the City of Waukesha would save the County nearly \$1.9 million in operating costs over 7 years, and

WHEREAS, in July 2014, the Waukesha County Board approved Ordinance #169-33 authorizing intergovernmental agreements with each of the participating municipalities to support the costs of recycling containers and the direct haul of recyclable material to the Joint MRF in Milwaukee, the details of which were later approved as part of the 2015 County Budget (Enrolled Ordinance 169-66), and

WHEREAS, intergovernmental agreements with municipalities supporting the costs to directly haul recyclables to the Joint MRF makes it no longer necessary to expend project funds on converting the County MRF to a transfer station, and

WHEREAS, funds are needed to prepare the County MRF building for sale and additional funds to complete construction of the Joint MRF, including contract exclusion costs for the design and construction of over 400 lineal feet of concrete conveyor pits constructed 8-10 feet below the building floor, which was anticipated, but the extent of subgrade issues were not able to be determined prior to construction, and

WHEREAS, the Waukesha County portion of this project is entirely funded by MRF fund balance accumulated from previous year recycling material processing and sale profits.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the 2015 budget for Capital Project 201409 be amended by changing the intended use of \$600,000 originally designated for the conversion of the County MRF to a transfer station to instead be used as follows: \$250,000 for additional Joint MRF construction for subgrade exclusions and engineering, \$100,000 to prepare the current County MRF for future sale, and \$250,000 for additional contingency funds, as may be needed to complete the construction of the Joint MRF in accordance with the executed Intergovernmental Agreement with the City of Milwaukee.

FISCAL NOTE

AMENDMENT OF COLLABORATIVE MATERIALS
RECYCLING FACILITY ("MRF") CAPITAL PROJECT 201409
RELATING TO TRANSFER STATION AND ADDITIONAL CONSTRUCTION COSTS

This ordinance authorizes a change in scope for Capital Project 201409 Collaborative Materials Recycling Facility (MRF) to eliminate the conversion of the existing Waukesha County MRF facility to a transfer station at a budgeted project cost of \$600,000. Enrolled ordinance 169-34 approved the compensation of municipalities for the cost of hauling recyclable materials directly to the joint MRF facility in Milwaukee eliminating the need to operate a transfer station, saving annual operating costs. The project scope will also be modified to prepare the current County MRF for sale at an estimated cost of \$100,000. Any future sale of this County property will be subject to County Board approval.

The ordinance further modifies the use of the remaining \$500,000 project appropriation within the total project budget of \$7.7 million for a single stream recyclable joint facility with the City of Milwaukee as follows:

- \$250,000 for design and construction of subgrade concrete conveyor pits. These construction costs were anticipated, but the extent of subgrade issues were not able to be determined prior to construction.
- \$250,000 to be designated as additional project contingency. PLU management anticipate that the joint MRF will soon be operational (beginning in March 2015), but contractor billing often lags and there can be uncertainty over the resolution of final project costs with contractors.

This capital project is funded entirely by MRF Fund Balance accumulated from previous years' recycling material processing and sales profits. Any unspent capital project dollars will lapse back to MRF Fund Balance.

No additional direct tax levy impact is anticipated in this ordinance.



Linda G. Witkowski
Budget Manager
3/3/2015
WD

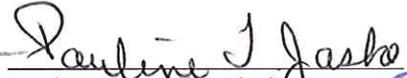
AMENDMENT OF COLLABORATIVE MATERIALS RECYCLING FACILITY ("MRF")
CAPITAL PROJECT 201409 RELATING TO TRANSFER STATION AND
ADDITIONAL CONSTRUCTION COSTS

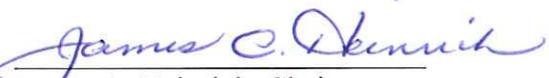
Presented by:
Executive Committee

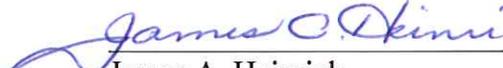
Approved by: Land Use, Parks,
and Environment Committee

Approved by:
Finance Committee


Paul L. Decker, Chair

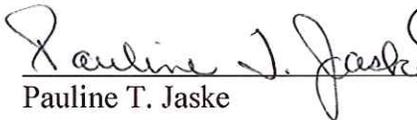

Walter L. Kolb, Chair


James A. Heinrich, Chair

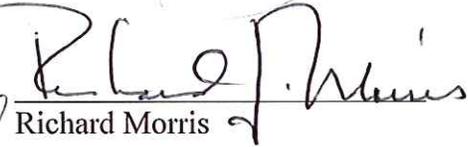

James A. Heinrich

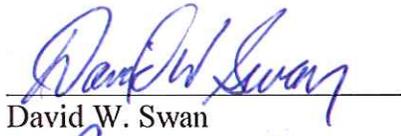

Jim Batzko

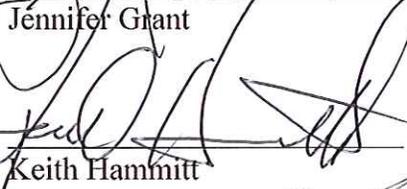

Eric Highum

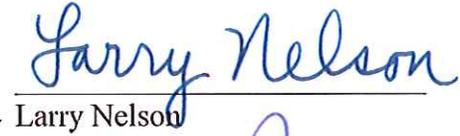

Pauline T. Jaske


Jennifer Grant


Richard Morris

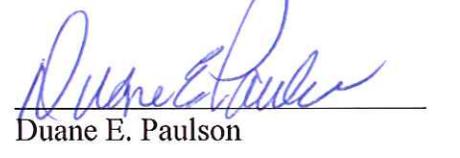

David W. Swan

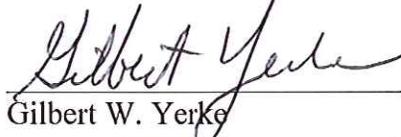

Keith Hammitt


Larry Nelson


Peter M. Wolff

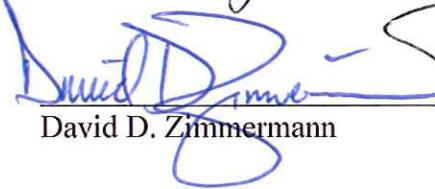

Eric Highum


Duane E. Paulson

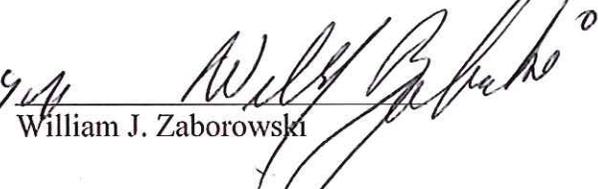

Gilbert W. Yerke


William Mitchell


Steve Whittow


David D. Zimmermann


Thomas J. Schellinger


William J. Zaborowski

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 3/24/2015, 
Kathleen Novack, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X
Vetoed: _____

Date: 4-1-15, 
Daniel P. Vrakas, County Executive

Project #	201409	Project Title:	Collaborative Materials Recycling Facility
Department:	Parks & Land Use	Manager:	Dale Shaver, Parks & Land Use Director
Phase:	One-Year Project		
Budget Action:	C-Scope	Date:	March 2, 2015

CAPITAL BUDGET SUMMARY			
Year	2014		Total
Program Project	Construction		Project
Expenditure Budget	\$7,710,000		\$7,710,000
Revenue Budget	\$7,710,000		\$7,710,000
Net County Cost	\$0		\$0
COST DOCUMENTATION		Cost	Revenue
Waukesha County	\$7,160,000	Materials Recycling Fund	\$7,710,000
City of Milwaukee	\$12,413,000	City of Milwaukee	\$12,413,000
Contingency	\$550,000		
Total Project Cost	\$20,123,000		
EXPENDITURE BUDGET	\$7,710,000	REVENUE BUDGET	\$7,710,000

Project Scope & Description

This project, through an intergovernmental agreement with the City of Milwaukee, installs new single stream recyclable processing equipment to the existing Milwaukee Material Recovery Facility (MRF) in the Menomonee Valley for the private processing and marketing of recyclable material. A "single stream" recycling system is when all paper, bottles, and cans are mixed together in a single container for collection and processing. The current Waukesha County-owned MRF is 22 years old, processes "dual stream" recyclables, and is not adequate to process single stream recyclable material. A "dual stream" recycling system is when paper is collected and processed separate from bottles and cans. The trend in picking up and hauling residential recyclable material is shifting to single stream since the material can be picked up with automated devices on trucks, eliminating the risk and cost of manual pick up. Since 2007, the Department of Parks and Land Use has initiated a series of studies to analyze the conversion of processing dual-stream recyclables to single-stream. These studies consisted of a thorough technical, operational and fiscal analysis of the process of collection, transportation and processing recyclables under a series of alternatives. The studies indicate that through collaboration with other governmental units, a significant increase in the tonnage of recyclables processed produces the best return on investment. Specifically a partnership with the City of Milwaukee would double the tonnage of recyclables processed. Initial Capital Project cost for the Recycling Facility and Transfer Facility equipment and setup were estimated through the studies conducted in years 2007 and 2012.

In the fall of 2013, a Request for Proposals (RFP) was conducted seeking proposals to privately process single stream recyclables at a joint facility between Waukesha County and the City of Milwaukee or at other private facilities. As part of the Request for Proposals process, vendors submitted detailed proposals to acquire and install equipment necessary to process single stream recyclables and setup the Waukesha County Transfer Station. The awarded proposal included the option of also privately processing additional third party recyclable tonnage, which helps lower the vendor's per-ton processing fee to the County. As a result of the processing of additional tonnage, the cost for equipment, engineering and installation associated with increasing the designed tonnage was higher than projected in the original studies. Specifically, increased costs include equipment adjustments needed to increase material processing from 25 tons/hour to 35 tons/hour as well as other updated equipment specifications submitted through the RFP. In April 2014, the Waukesha County Board approved Ordinance 168-118, which increased the approved budget for this project \$2.3 million, from \$5.4 to \$7.7 million, including \$600,000 to convert the County MRF to a transfer station. However, due to high operating costs of the transfer station, PLU staff continued to investigate alternatives.

In spring of 2014, Waukesha County facilitated an RFP process on behalf of twenty (20) participating municipalities in Waukesha County for the collection of municipal and residential refuse, recyclables, and yard waste. As part of this process, cost alternatives provided by private hauling companies showed that hauling recyclables directly from the municipalities to the Joint MRF in Milwaukee rather than operating a County transfer station in the City of Waukesha would save the County nearly \$1.9 million in operating costs over 7 years. This led to the County Board authorizing intergovernmental agreements in July 2014 to compensate municipalities for direct haul costs in their hauling contracts. As a result, the \$600,000 in capital funds originally designated to convert the County MRF to a transfer station are no longer needed. However, funds are needed to prepare the County MRF building for sale and additional funds to complete construction of the Joint MRF, including contract exclusion costs for the design and construction of over 400 lineal feet of concrete conveyor pits constructed 8-10 feet below the building floor, which was anticipated, but the extent of subgrade issues were not able to be determined prior to construction.

The Waukesha County portion of this project is entirely funded by fund balance accumulated from previous year recycling material processing and sale profits, with no County tax levy. The 2015 budget of the capital project needs to be amended by changing the intended use of the \$600,000 originally designated for the conversion of the County MRF to a transfer station to instead be used as follows: \$250,000 for additional Joint MRF construction for subgrade exclusions and engineering, \$100,000 to prepare the current County MRF for future sale, and \$250,000 for additional contingency funds, as may be needed to complete the construction of the Joint MRF in accordance with the executed Intergovernmental Agreement with the City of Milwaukee.

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Department:	Parks & Land Use	Manager:	Dale Shaver, Parks & Land Use Director
Phase:	One-Year Project		
Budget Action:	C-Scope	Date:	March 2, 2015

Location

Project includes upgrading the existing City of Milwaukee MRF (1401 W. Mt Vernon Ave, Milwaukee, WI 53233).

Analysis of Need

Past: Several studies completed since 2007. Most recent studies include a joint Milwaukee/Waukesha County study on the Joint MRF in 2012 and a direct haul study completed by Waukesha County in 2014.

Current: Current County MRF requires major upgrades & equipment replacements. Problems with plastic line, tip floor and bale storage would require MRF expansion. There is no opportunity to expand on the current Waukesha County MRF 2 acre lot.

Trends: Industry trend is a switch to a single stream recycling due to improved efficiencies in collection and processing. A single stream system mixes paper and containers together and completes the sorting process at the MRF using new sort line technologies.

Alternatives

There were three alternatives included in the 2013 MRF RFP, all of which include the private processing of single stream recyclables for both the City of Milwaukee and Waukesha County:

- A. Equip and privately operate the existing City of Milwaukee MRF building for material processing.
- B. Transfer and process materials at an existing MRF.
- C. Transfer and process materials at a new MRF facility, location to be determined.

Ongoing Operating Costs

Initial startup costs: Estimated at \$20.1 million in capital costs for MRF equipment and building upgrades. **Annual Operational Costs:** Estimated at about \$3 million to process a total of 54,000 tons of recyclables per year. The Waukesha County portion of the processing cost for 27,000 tons is estimated at \$1.37 million. **Annual costs for reimbursing participating municipalities for direct haul costs is estimated to be \$300,000 compared to \$600,000 for operating a transfer station.**

Previous Action

In the 2013 Budget, the County Board authorized the Department of Parks and Land Use to analyze and negotiate with the City of Milwaukee and others on processing single stream recyclable material.

Approved in the 2014-2018 Capital Plan.

Amended for cost update by County Board in April 2014 (Enrolled Ordinance 168-118).

FISCAL NOTE

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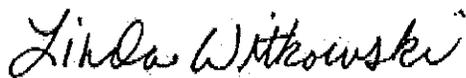
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Linda G. Witkowski
Budget Manager
3/3/2015
WD

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

DATE-03/24/15

(ORD) NUMBER-1690100

1 R. KOLB.....AYE
 3 R. MORRIS.....AYE
 5 J. BRANDTJEN.....
 7 J. GRANT.....AYE
 9 J. HEINRICH.....AYE
 11 C. HOWARD.....
 13 P. DECKER.....AYE
 15 B. MITCHELL.....AYE
 17 D. PAULSON.....AYE
 19 K. CUMMINGS.....AYE
 21 W. ZABOROWSKI.....AYE
 23 K. HAMMITT.....AYE
 25 G. YERKE.....AYE

2 D. Zimmermann.....AYE
 4 J. BATZKO.....AYE
 6 J. WALZ.....AYE
 8 E. HIGHUM.....AYE
 10 D. SWAN.....AYE
 12 P. WOLFF.....AYE
 14 C. PETTIS.....AYE
 16 M. CROWLEY.....AYE
 18 L. NELSON.....AYE
 20 T. SCHELLINGER....AYE
 22 P. JASKE.....AYE
 24 S. WHITTOW.....AYE

TOTAL AYES-23

TOTAL NAYS-00

CARRIED _____

DEFEATED _____

UNANIMOUS X

TOTAL VOTES-23