



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Award of Contract to Van Dyk Recycling Solutions for SMaRT Station® Source Separated Organics Handling and Processing System Upgrade (F22-156)

REPORT IN BRIEF

Approval is requested to award a Services Agreement in an amount not to exceed \$2,574,588 to Van Dyk Recycling Solutions of Norwalk, CT, for the purchase and installation of a Source Separated Organics Handling and Processing System at the Sunnyvale Materials Recovery and Transfer (SMaRT) Station. Approval is also requested for a 4% contingency in an amount not-to-exceed \$102,983.

EXISTING POLICY

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code (SMC), City Council approval is required for contracts exceeding \$250,000.

Pursuant to SMC Section 2.08.110 (c), formal competitive bids or proposals received after the deadline for receipt of bids shall not be accepted and shall be returned to the bidder unopened unless necessary for identification purposes.

ENVIRONMENTAL REVIEW

The proposed project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15302(c) for replacement or reconstruction of an existing utility system and/or facilities involving negligible or no expansion of capacity.

BACKGROUND AND DISCUSSION

The SMaRT Station Source Separated Organics Handling and Processing System Upgrade is a component of the SMaRT Station NextGen Upgrade Project. It will replace the existing Source Separated Organics (SSO) processing system. This is a separate processing line at the SMaRT Station that is dedicated to processing food scraps collected from residents and businesses. The system will include an Infeed Module, Primary De-packaging Module, and a Secondary Processing Module. A grant from Cal Recycle ORG5 Grant for this project was accepted by Council on May 24, 2022 (RTC No. 22-0356) to cover the costs for this project.

On August 19, 2022, a request for proposal for the Source Separated Organics Handling and Processing System Upgrade was advertised on the City's DemandStar public procurement network. It was also provided directly to multiple SSO processing companies. Thirty-five (35) contractors requested bid documents and eight submitted proposals on September 30. The City also received

two proposals after the proposal deadline and returned these to the proposers unopened in accordance with the Sunnyvale Municipal Code. On October 25, the evaluation team shortlisted three vendors to move forward with the interview evaluation. At the conclusion of the interview, Van Dyk Recycling Solutions (Van Dyk) was selected as the highest-ranked proposer based on the firm's qualifications, schedule, technical proposal, and product support. Staff conducted negotiations with Van Dyk to address the specifications of their proposal as well as associated costs. Additional negotiations included the addition of a walking floor to provide adequate unloading capacity and filter out contaminants in the processing of organic material. Negotiations with Van Dyk concluded in January 2023.

The five main objectives of this project include:

1. Replacing the existing food scraps processing equipment that is reaching the end of its useful life.
2. Increasing SSO processing capacity to 75 tons per day.
3. Maximizing the amount of organic material that can be liberated and separated from the packaging and inorganic contaminants. Currently, less than 40% of the inbound organic material is being captured.
4. Maximizing the amount of clean organic material that can be sent to our current primary market (Sustainable Organic Solutions) which requires that the material be able to pass through a 1/8" screen.
5. Reducing the time needed to unload material. Currently, it takes 30 minutes to unload a single commercial truck (12 tons of food) due to the infeed hopper and feeder design. The next truck cannot unload until the first truck's material has been processed through the system. We need to be able to accept three commercial truckloads (36 tons) without having to wait for the processing machine. Each truck needs to be able to unload in ten minutes or less.

The proposed equipment from Van Dyk can achieve all project objectives. Staff understands that the equipment proposed by Van Dyk will satisfy the anticipated future increased capacity demand for clean organic material. However, to account for future decisions in product selection and variations in taxes, shipping, and potential duty charges, which may impact the total cost, a contingency in the amount of \$102,983 is requested.

FISCAL IMPACT

The total cost for the project, \$2,809,519 includes estimated taxes, freight and duty charges for cargo shipment from the overseas factory. The additional amount for contingency, \$102,983 will allow for fluctuations in the total cost based on necessary component selection to build the SSO unit, and potential changes in taxes, fees or shipping and duty costs determined at the time of shipping. Funding for this project is available in Project 836000 - Anaerobic Digestion and Composting Improvements. A project budget financial summary is included as Attachment 2 to this report. Funding source of this project is a Cal Recycle ORG5 Grant..

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Public Library, Senior Center, Community Center and in the Department of Public Safety Lobby. In addition, the agenda and report are available at the Sunnyvale Public Library, Office of the City Clerk, and on the City's website.

RECOMMENDATION

Take the following actions

- Approve a Services Agreement in substantially the same form as Attachment 1 to the report in an amount not to exceed \$2,574,588 to Van Dyk Recycling Solutions for the Source Separated Organics Handling and Processing System.
- Authorize the City Manager to Execute the Agreement when all conditions have been met.
- Approve a 4% contingency in an amount of \$102,983

Prepared by: Gregory S Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Ramana Chinnakotla, Director of Environmental Services

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Draft Consultant Services Agreement
2. Budget Summary Sheet - 836000 - Anaerobic Digestion and Composting Improvements