



Sunnyvale

Organic Materials Processing Contracts

Report To Council

May 25, 2021



Agenda

1. Background
2. RFP and Negotiations
3. Recommended Awards
4. Pricing and Fiscal Impact
5. Staff Recommendation

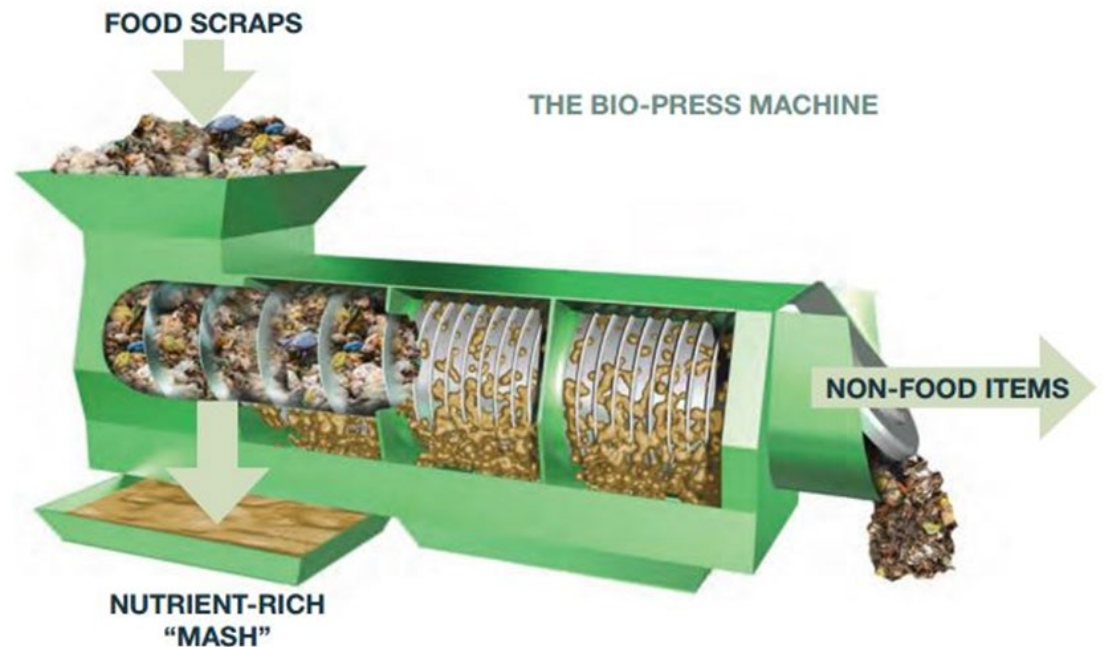
Background – Four Types of Organics

Yard Trimmings



Background - Four Types of Organics

Food Scraps



Background - Four Types of Organics

Material Recovery Facility (MRF) Fines recovered from solid waste



Background - Four Types of Organics

Food-Soiled Compostable Paper (future)



Background – Current Process

- ◆ Yard Trimmings and MRF Fines -> Zanker
- ◆ Food mash -> Sustainable Organic Solutions (SOS)
- ◆ Contracts through Bay Counties Waste Services
- ◆ City will contract directly for organics processing now

RFP and Negotiation

- ◆ Current processing contracts expire 12/31/2021
- ◆ RFP issued October 1, 2020
- ◆ Three Proposals Received on December 1, 2020



Recommended Award

Zanker Road Resource Recovery, Ltd. (Zanker)

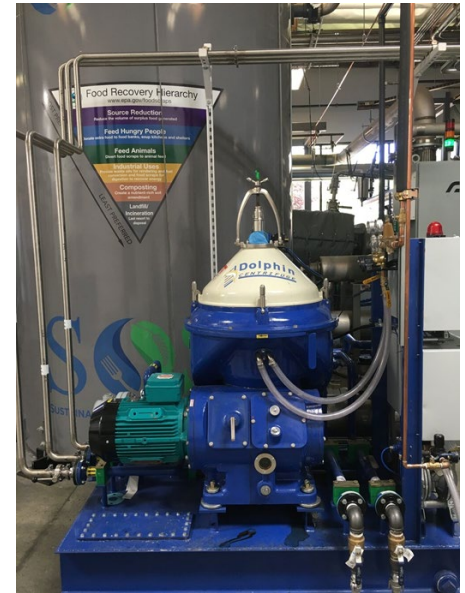
- Yard Trimmings
- MRF Fines
- Food-Soiled Paper
- Back-up for Food Scraps
- 15-Year term, no extensions
- Products
 - ◆ Compost
 - ◆ Mulch



Recommended Award

Sustainable Organic Solutions, LLC (SOS)

- Food Scraps
- Back-up for Yard Trimmings
- 7-Year Term
- Two 7-Year Extensions
- Products
 - Fertilizer
 - Animal Feed
 - Biodiesel
 - Energy



Contract Pricing

Material	Tons/Year	Current \$/Ton	Proposed \$/Ton
Yard Trimmings	16,000	\$28.73	\$38.76
MRF Fines	34,320	\$72.26	\$82.19
Food-Soiled Paper	9,300	\$65.54	\$85.30
Food Scraps	11,000	\$62.80	\$65.15

Factors Driving Price Increase

- Increased regulation of composting facilities
- Investment in new facilities and expansion/upgrades
- Supply-Demand Imbalance due to SB 1383 requirements



Fiscal Impact

- Approximately \$5M per year
 - Sunnyvale - \$3.5M/year
 - Mountain View - \$1.5M/year
- Partially offset by disposal savings
- Already budgeted in Zero Waste project
- Now moved to Operating budget
- Already reflected in rates (except food soiled paper)

Staff Recommendation

1. Award a fifteen (15) year contract for processing of three organic material streams, namely, Source Separated Residential Yard Trimmings, SMaRT Station 2-inch MRF Fines, and Compostable Food-Soiled Paper products captured by the SMaRT Station mixed waste processing system in substantially the same form as Attachment 1 to the report to Zanker Resource Management, LTD

Staff Recommendation

2. Award a seven (7) year contract for processing of Source Separated Residential and Commercial Food Scraps, in substantially the same form as Attachment 2 to the report to Sustainable Organic Solutions, LLC
3. Authorize the City Manager to increase the contracts up to budgeted amounts



Sunnyvale

Questions

Comparison to Other Cities

City	Material	Processing \$/Ton
Palo Alto	Residential Mixed Organics	96.34
Palo Alto	Commercial Mixed Organics	103.64
Mountain View	Residential Mixed Organics	71.50
Mountain View	Commercial Mixed Organics	90.00
Sunnyvale	Yard Trimmings	38.76
Sunnyvale	Food Scraps	65.15
Sunnyvale	MRF Fines	82.19
Sunnyvale	Food-Soiled Paper	85.30