

TO: Board of Commissioners
 FROM: Sarah Reeves, Executive Director
 DATE: June 23, 2023
 RE: CSWD New Materials Recovery Facility – Equipment Procurement, Re-Award

On January 4, 2022 Staff issued RFP No. 20220104 Single Stream System Design which was posted to the VT Business Registry and sent to four national MRF equipment providers. Four vendors responded to the RFP:

- MachineX Technologies, Plessisville, QC and High Point, NC
- Van Dyk Recycling Solutions (VDRS), Norwalk, CT
- Bulk Handling Systems (BHS), Eugene, OR
- CP Group, San Diego, CA

The base-level system requested in the RFP was for a 25-ton per hour system capable of processing 50,000-70,000 annual tons of blue-bin recyclables using a combination of optical sorting technology, screens, ballistic separation, magnets, and eddy current separation. The RFP required reuse of the District's existing glass clean-up equipment as well as the baler purchased in 2018. Requirements for bale purity, process efficiency, and staffing efficiency were also included in the RFP. Bid Selection Criteria were based on experience of the respondent, understanding of and response to the RFP, and proposal costs.

| RFP No. 20220104 Single Stream Design Bid Results | | | | |
|--|--------------|--------------|---------------|--------------|
| Vendor | VDRS | BHS | MachineX Tech | CP Group |
| Total Score (out of 300) | 284 | 254 | 248 | 241 |
| Total Cost | \$16,160,000 | \$15,560,982 | \$17,885,000 | \$17,554,548 |

Based on the scores above, a contingent award was made to Van Dyk Recycling Systems of Norwalk, CT. The equipment cost estimate provided by VDRS did not include air compressors, a critical component of the optical sorting system. The estimate for the system compressors was \$500,000, bringing the system cost to an estimated \$16,660,000. The award was contingent upon CSWD receiving approval from the voters of Chittenden County to finance a bond to pay for the project. Voter approval was received in November 2022. CSWD proceeded to apply to the Vt Municipal Bond Bank for funds, which were approved in March 2023. At that time, we sought to finalize a contract with VDRS and order the system equipment. In April 2023, we were informed by VDRS that the equipment pricing had increased significantly, by as much as \$3,000,000. Reasons given at the time for the increase included the high price of steel and ongoing supply-chain issues.

I instructed Josh Tyler, Director of Operations, to reach out to MachineX and BHS to learn if they were experiencing the same problems. They indicated that they were not, and so I decided to issue an addendum to the RFP, seeking updated pricing from the top three points receivers – VDRS, BHS, and MachineX. The addendum also simplified the scope of the project so that each system was comparable to the other and did not take Options into account. Addendum #2 was issued on May 26, 2023, with responses received June 7, 2023. The evaluation team generated questions for each respondent for additional clarification. Those responses were received June 20, 2023. The results of the evaluation are below:

| RFP No. 20220104 Addendum #2 Single Stream Design Bid Results | | | |
|---|--------------|--------------|---------------|
| Vendor | BHS | VDRS | MachineX Tech |
| Total Score (out of 300) | 299 | 293 | 280 |
| Total Cost | \$16,836,383 | \$16,898,408 | \$16,954,777 |

Upon a comprehensive review of each revised bid, staff recommends awarding the contract to BHS. The initial response from BHS was the least costly, but the system design included a pneumatic conveyance system for containers, which the evaluation team felt presented too much of a departure from Northeastern MRF operations and we were concerned about the pressure the system would put on the air compressors. However, even give the reservations, the team nearly awarded the initial contract to BHS because the price was excellent, and BHS has an outstanding Artificial Intelligence (AI) system as a base-level component in their designs. The BHS visioning-system is the industry leader in technology. It “sees and learns” better than any competitor and can adapt to changing material mixes. This factor alone was nearly enough to award to BHS the first time around, however VDRS submitted a late (and significant) revision to their system cost which, combined with their local presence in the Northeast, their training facility in CT, the vast inventory of critical spare parts, good reputation, and local access to technicians, led the team to recommend them for award at that time.

The current evaluation team met with BHS in Vermont on June 16, 2023. The redesigned system removed the pneumatic conveyances and replaced them with standard conveyor belts. All other components remained as initially designed. The BHS team re-familiarized us with the visioning system, and we remembered and recognized not only current benefits but the potential for future flexibility as well. This system is the nimblest of the three, in that it is highly adaptable to changes in material mix. BHS has a manufacturing facility in Tennessee and a technician based in Philadelphia. The technician can remote-in to the system to perform diagnostics and troubleshooting. Service call response is comparable to both VDRS and MachineX. BHS’ anticipated installation time was the shortest of the three respondents and can meet CSWD’s desired timeline for facility commissioning.

The new system cost is approximately \$200,000 higher than the initial all-in cost from VDRS, however the revised BHS price is lower than the revised VDRS price. The system cost is still within the overall project estimate. Staff recommends that CSWD enters a contract with Bulk Handling Systems.

BE IT RESOLVED that the Board of Commissioners authorizes the Executive Director to enter into a contractual agreement with Bulk Handling Systems of Eugene, OR, for the purchase of a Materials Recovery Facility Single Stream Recycling System as described in their initial and subsequent responses to RFP No. 20220104, including the responses to Addendum #2, for an amount not to exceed \$16,840,000.