

SUBJECT: Approval of Change Order #1 to Contract No. 17-041P with Burns & McDonnell Engineering Company Inc. for the MSB Solid Waste Business Roadmap/Study, Project NO. 25002.

AGENDA OF: August 15, 2016

ASSEMBLY ACTION:

Approved Under the Consent Agenda 8-15-17 (BN)

MANAGER RECOMMENDATION: Present to the assembly for consideration.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:

Route To:	Department/Individual	Initials	Remarks
	Solid Waste Div. Manager	<i>WJ</i>	
	Public Works Director	<i>DL</i>	
	Finance Director	<i>CX</i>	
	Borough Attorney	<i>MS</i>	
	Borough Clerk	<i>JMM</i>	8/7/17 <i>(BN)</i>

ATTACHMENT (S) : Fiscal Note: Yes X No

Reso 17-027 - *(3pp)*

Burns & McDonnell - Project Budget *(1pp)*

Burns & McDonnell - Scope of Services *(2pp)*

SUMMARY STATEMENT: On June 14, 2017 the Matanuska-Susitna Borough awarded Burns & McDonnell Engineering Company Inc. the contract 17-041P for an MSB Solid Waste Business Roadmap/Study, Project NO. 25002, a business roadmap designed to assist the assembly and manager to understand the financial implications of business decisions made by the Public Works Director and Solid Waste Division Manager with a value not to exceed \$149,400 in AM 17-042.

On August 1, 2017 the Assembly approved the request to increase the project 25002 budget in Reso 17-027 to \$209,000.

This change order will result in an increase to the contract in the amount of \$59,600 representing a new not to exceed contract value of \$209,000.

RECOMMENDATION OF ADMINISTRATION: Approval of Change Order #1 to Contract No. 17-041P with Burns & McDonnell Engineering Company Inc. for the MSB Solid Waste Business Roadmap/Study, Project NO. 25002.

**MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE**

Agenda Date: August 15, 2017

SUBJECT: Approval of Change Order #1 to Contract No. 17-041P with Burns & McDonnell Engineering Company Inc. for the MSB Solid Waste Business Roadmap/Study, Project NO. 25002, to increase scope of work and contract funding.

ORIGINATOR: Solid Waste

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED \$59,600.00	FUNDING SOURCE Enterprise Fund
FROM ACCOUNT # <u>* - - - - -</u>	PROJECT # 25002.2400.2402
TO ACCOUNT :	PROJECT #
VERIFIED BY: <u>Barbara Brumgar</u>	CERTIFIED BY:
DATE: <u>8/2/17</u>	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL			*			
---------	--	--	---	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other			*			
TOTAL			*			

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) * Resolution 17-027 Approved budget increase in Project 25002 to \$ 209,600. This is an increase only to the contract.

PREPARED BY: _____ **PHONE:** _____

DEPARTMENT: Chesapeake District **DATE:** _____

APPROVED BY: Chesapeake District **DATE:** 8/3/17

Adopted: 08/01/17

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 17-027**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY TO APPROVE THE AMENDED BUDGETS FOR THE SKWENTNA SOLID WASTE SERVICES, LANDFILL CLOSURE PLAN, PROJECT NO. 25030; THE LANDFILL DEVELOPMENT, BUSINESS ASSESSMENT AND ROADMAP, PROJECT NO. 25002; AND AMEND THE SCOPE OF WORK AND BUDGET FOR THE LANDFILL IMPROVEMENTS, FENCING PROJECT NO. 25046.

WHEREAS, in the fiscal year 2013 Capital Projects budget, the Assembly appropriated \$30,000.00 in enterprise funds for the landfill improvements, fencing project no. 25046; and

WHEREAS, the Solid Waste Division has evaluated the project needs and determined that additional funding is required to complete the project and that the scope of work should include upgrades and improvements to the transfer site's fencing and security gates; and

WHEREAS, in the fiscal year 2016 Capital Projects budget, the Assembly appropriated \$250,000 in enterprise funds for the Skwentna Solid Waste Services landfill closure plan, project no. 25030; and

WHEREAS, this project is now complete leaving a balance of \$114,522.04; and

WHEREAS, the Solid Waste Division requests use of the remaining funds to allow for the business roadmap, which will provide a financial analysis and strategic direction for future operations and for the repair, installation, and improvements of

Am17-083

perimeter fencing and security gates at the Central Landfill and transfer sites; and

WHEREAS, in the fiscal year 2017 Capital Projects budget, the Assembly appropriated \$150,000.00 in enterprise funds for the landfill development, business assessment, and roadmap; project no. 25002; and

WHEREAS, no expenditures can be made until amended scope of work and budget has been approved by the Assembly.

NOW, THEREFORE, BE IT RESOLVED, that the Assembly approves the following amended scope of work and budget:

AMENDED SCOPE OF WORK

Project 25046.2400.2407 - Landfill Improvements Fencing Project to include upgrades and improvements to the transfer sites fencing and security gates.

AMENDED BUDGETS

Project/Account No.	Previously Approved Budgets	Amended Budgets
Landfill improvements, fencing project no. 25046/2407 enterprise fund capital appropriations fiscal year 2013	\$30,000.00	\$84,922.00

Am17-083

Skwentna Solid Waste Services landfill closure, project no. 25030/2402 enterprise fund capital appropriations fiscal year 2016	\$250,000.00	\$135,478.00
Landfill Development, Business Assessment and Roadmap, project no. 25002/2402 enterprise fund capital appropriations fiscal year 2017	\$150,000.00	\$209,600.00
TOTAL	\$430,000.00	\$430,000.00

ADOPTED by the Matanuska-Susitna Borough Assembly this 1 day
of August, 2017.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Sykes, Beck, McKee, Colligan, Mayfield, Doty,
and Kowalke

Am17-083

PROJECT BUDGET

Burns & McDonnell will invoice based on a percent complete basis for each of these tasks identified in the following table. The following table includes professional fees and direct expenses, including travel. As discussed in the introduction to the Scope of Services, Burns & McDonnell has included several optional tasks within this proposal. Should the MSB request that we perform any of these optional services, we will provide the services based on the estimated fees listed in the "Optional Tasks" column of the following table. No optional tasks will be completed unless we receive written authorization from the MSB.

Task	Estimated Fee	
	Baseline Tasks	Optional Tasks
Phase 1: Project Initiation and Management		
Task 1A: Preliminary Data Request and Analysis	\$6,300	
Task 1B: Establish a Project Task Force	\$-	
Task 1C: Kick-off Meeting and Project Management	\$10,300	
Phase 2: Cost of Service and Rate Design		
Task 2A: Current Cost of Service Analysis	\$21,200	
Task 2B: Forecasted Cost of Service Analysis, Program Revenue Stream Analysis and Rate Development	\$15,500	
Phase 3: Operations Review		
Task 3A: Field Observations and Analysis	\$32,600	
Task 3B: Landfill	\$16,400	
Task 3C: Transfer Stations	\$14,900	
Task 3D: Recycling Program	\$9,400	
Task 3E: Environmental Operations	\$9,300	
Task 3F: Evaluation of Alternative Technologies		\$35,900
Task 3G: Business Strategy		\$7,400
Task 3H: Implementation Plan		\$9,200
Phase 4: Report Preparation and Presentation		
Task 4A: Draft Report	\$10,500	
Task 4B: Final Report	\$3,000	
Task 4C: Develop PowerPoint and Conduct Presentation		\$7,100
Total	\$149,400	\$59,600

SCOPE OF SERVICES

This Scope of Services is for Burns & McDonnell to complete a solid waste operational and financial review for the Matanuska Susitna Borough (MSB). This section provides an overview of the approach Burns & McDonnell would propose to accomplish the MSB's objectives for this type of engagement.

Listed below are the key tasks to be accomplished by our project team during the conduct of this study. We have organized this scope of services into four phases: (1) Project Initiation and Management; (2) Cost of Service and Rate Design; (3) Operations Review; and (4) Report Preparation and Presentation.

While Burns & McDonnell would recommend completing all of the tasks included in this proposal, we recognize that the MSB may have an interest in only completing portions of the study. Based on discussions with the MSB staff, we have included several optional tasks within the Scope of Services. These tasks are not included in the initial budget, but can be added in as requested based on the fees included in the Budget section of this proposal.

PHASE 1 PROJECT INITIATION & MANAGEMENT

TASK 1A: INITIAL DATA REQUEST & REVIEW

Following receipt of the Notice to Proceed, Burns & McDonnell will provide the MSB with a detailed preliminary data request that will encompass data needs for completing the study. The data request will itemize our needs for understanding the operational and financial considerations that must be addressed. This task also includes organization and preliminary analysis of all data received. We recognize that the MSB may not have all information requested readily available or may track information differently than requested. We will work with the appointed Project Manager to arrive at reasonable substitutes for the key data, if needed.

TASK 1B: ESTABLISH A PROJECT TASK FORCE

The evaluation of any operation can be a challenging process. In order to get the best information possible and increase buy-in for the outcomes of this project, we recommend that the MSB establish a Project Task Force (PTF) to participate throughout the process. The PTF would ideally include 5 – 7 key representatives from diverse roles and levels of responsibility within the MSB, including senior management. Based on experience applying this approach with other local governments, it is our general recommendation that participants include:

- ▶ Solid Waste Division Manager
- ▶ Solid waste system manager/foreman from each of the operations addressed in the study
- ▶ Financial Services Director/Manager
- ▶ 1 – 2 Additional key staff

The PTF would participate in the kick-off meeting, help facilitate data collection, provide feedback on preliminary findings, and provide support to our Project Team throughout the project. By involving a variety of individuals with a wide range of skills and responsibilities, a complete picture of the solid waste system can be developed more quickly. The diverse experience and concerns of the participants will help identify problem areas

and contribute meaningful input to the solutions. Full participation from the PTF members should also be expected to increase buy-in and would speed implementation of the project findings.

TASK 1C: KICK-OFF MEETING & PROJECT MANAGEMENT

Prior to commencing the study, members of the Project Team would conduct a kick-off conference call and then an on-site kick-off meeting with key MSB staff. The purpose of the initial conference call would be to plan for the kick-off meeting and site visit. At this kick-off meeting we would discuss the project work plan, key issues to be addressed, key findings from previous engagements as well as confirm the timing associated with the various project tasks.

We would discuss our initial data request (as previously described) that we would have provided to the MSB staff prior to the kick-off meeting. Burns & McDonnell will provide the agenda and any handout materials at least two days in advance.

During the meeting, we will also identify primary contacts for our Project Team and the MSB and establish protocol for the exchange of information and the resolution of issues that arise in the normal course of this engagement. To ensure effective communication between Project Team members and the MSB throughout the course of this project, it is proposed that Burns & McDonnell will:

- ▶ Schedule and participate in periodic conference calls as needed to discuss project matters (as identified in the specific tasks of this scope of work)
- ▶ Provide periodic status updated via electronic format
- ▶ Be available for other communication(s) as needed

Phase 1 Deliverables and Tentative Schedule

- ▶ Preliminary data request
- ▶ Electronic copies of the kick-off meeting agenda, handouts, and follow-up summary
- ▶ Participation of Burns & McDonnell Project Manager and key technical staff in conference call and on-site kick-off meeting
- ▶ Complete by June 30, 2017

PHASE 2: COST OF SERVICE & RATE DESIGN

In Burns & McDonnell's experience it is beneficial to complete a cost of service study of the solid waste operation as a part of the operations review. A cost of service study provides a clear understanding of the current operation's cost of providing service. By developing a baseline operational cost, Burns & McDonnell can value the financial savings/costs of making operational changes (as discussed in Phase 3). This methodology is consistent with other operational studies Burns & McDonnell has completed for communities across the United States.

TASK 2A: CURRENT COST OF SERVICE ANALYSIS

A “Test Year” is a common term in cost of service studies that refers to an adjusted fiscal year budget that is used as a basis for determining cost of service and setting rates. The Test Year should be representative of typical conditions, with adjustments for any unusual or one-time expenses. Any projected non-recurring expenses or revenues will be identified and incorporated into the financial forecast. Burns & McDonnell will work with the MSB to develop an accurate Test Year revenue requirement reflecting the revenue required to meet all operating and maintenance (O&M) costs, debt service (including coverage and reserve requirements), working capital requirements, and capital expenditures.

The goal of this task will be to document the current full cost of the MSB’s various solid waste services and to allocate these costs to the appropriate cost centers. As part of this task, Burns & McDonnell will:

- ▶ Review current and historical financial data collected as part of Task 1
- ▶ Summarize and analyze the current solid waste fees
- ▶ Develop a revenue requirement for the “Test Year,” which will include, but is not limited to, the following types of costs:
 - Operational and maintenance
 - General fund and administrative overhead
 - Capital costs
 - Current and anticipated long-term liabilities and debt obligations
- ▶ Work with the MSB to define cost centers: Cost centers will be based on the primary services provided by the Solid Waste Department, and will be refined based on input from MSB staff. A preliminary listing of cost centers would include: landfill, transfer stations, remote transfer sites, hazardous waste removal, recycling and community clean-ups
- ▶ Work with the MSB to identify the components and measurements that will be built into the cost allocation model
- ▶ Develop an infrastructure and vehicle replacement analysis to account for growth and replacement
- ▶ Assist the MSB in developing or modifying a cost allocation strategy that captures capital, debt, operations, and maintenance costs, as well as indirect costs (administration and overhead) for each of the targeted services.
- ▶ Allocate cost centers to customer classes
- ▶ Determine billing units
- ▶ Calculate the cost of service

For equipment and personnel that serve more than one function, we will assist MSB staff in the development of an appropriate strategy to allocate those costs among the programs being evaluated. It will be imperative to work closely with financial and operational personnel during the cost allocation process to ensure that all direct and

indirect costs are apportioned in an appropriate and meaningful way among the programs being evaluated. A brief written summary of our approach and observations about cost allocation will be included in the draft report.

Task 2A Deliverables and Tentative Schedule

- ▶ Four to six hour meeting with MSB staff (same trip as the kick-off meeting)
- ▶ A Test Year revenue requirement
- ▶ Calculation of the Test Year cost of service
- ▶ Conference call with MSB staff to discuss results of Task 2A
- ▶ Complete by August 31, 2017

2B: FORECASTED COST OF SERVICE ANALYSIS, PROGRAM REVENUE STREAM ANALYSIS AND RATE DEVELOPMENT

This task will include three primary objectives: (1) to develop a five-year forecast; (2) to determine current revenue generation and conduct historical audit; and (3) to update the fee structure so that it will be sufficient to recover the cost of service.

Forecasted Cost of Service Analysis

In addition to calculating the current cost of service for the Test Year, Burns & McDonnell will project the future cost of service for a five-year time frame and will allocate these costs to the appropriate cost centers. Burns & McDonnell will work in conjunction with the MSB to develop an accurate five-year revenue requirement and billing unit forecast. In order to develop the five-year revenue requirement for the MSB, Burns & McDonnell will examine historical budgets and audited financials and, utilizing input from MSB staff, will develop a forecast that incorporates “known and measurable” changes for the forecasted period. This would include changes due to any current or anticipated statutory regulations. Burns & McDonnell will analyze the assumptions used in projecting the revenue requirement and billing units, including, but not limited to, growth rate, inflation rates, increase in contractual obligations, and capital improvement plans.

We will also account for the potential changes that may be considered in the future. We will develop the model in a manner that will provide the flexibility to include or exclude any combination of the following types of costs. Our budget is based on the assumption that MSB will provide Burns & McDonnell with cost estimates for the potential projects. We will then coordinate with MSB staff to decide which of the following variables would be included in the final forecast:

- ▶ Leachate and septage plant build out within five years
- ▶ Leachate pipeline system to transport leachate to holding ponds and/or treatment plan
- ▶ Equipment purchases
- ▶ Equipment maintenance program
- ▶ Environmental program (HAZWASTE)

- ▶ Capital improvement projects

Customer classes will include landfill and transfer station customers and may include other customer groups, MSB departments, etc. as determined during the course of the study.

Determine Current Revenue Generation and Conduct Historical Audit

Burns & McDonnell will evaluate how much revenue is currently generated by the current fee structure. We will assess the overall revenue requirement compared to revenue generated under the current fee structure and rates. We will complete this analysis based on a review of revenue received by the MSB for the various services provided. We will independently estimate how much revenue should be generated by the current billing units to estimate whether any under-recovering is occurring. This analysis will provide the MSB with an understanding of how current rates are either over- or under-recovering compared to the cost of service.

We will also conduct an audit of revenues and expenses over the past three years to better understand annual cash flows over this time period for the Solid Waste Enterprise Fund. This analysis will be conducted to assist the MSB with understanding the “health of the fund,” and is not intended to be an accounting-type audit.

Rate Development

Burns & McDonnell will calculate solid waste rates and fees to be recovered by the MSB for the next five years based on Burns & McDonnell’s recommended fee structure. In calculating these charges, Burns & McDonnell will address changes needed to provide revenue security and maintain the financial integrity of the solid waste system for the next five years. This will specifically focus on moving the Enterprise Fund into a cash flow positive position.

We will also provide the MSB with an overview of alternative funding options based on strategies being utilized by other local governments in Alaska, such as the Kenai Peninsula. We will coordinate with the MSB to determine whether to integrate these alternative funding strategies into the rate recommendations.

Task 2B Deliverables and Tentative Schedule

- ▶ A “base case” five-year revenue requirement forecast
- ▶ The calculation of the cost of service in each year
- ▶ Revenue projections
- ▶ Rate design recommendations
- ▶ Conference call with MSB staff to discuss results of Task 2B
- ▶ Complete by September 30, 2017

PHASE 3: OPERATIONS REVIEW

The purpose of the operational review will be to evaluate whether key system components are operating effectively, as well as to identify opportunities to reduce costs. During the operations review, Burns & McDonnell will review the following aspects of the solid waste system:

- ▶ Landfill
- ▶ Transfer Stations
- ▶ Recycling
- ▶ Environmental Operations

Prior to conducting this Phase of the Review, Burns & McDonnell will review the operational and financial data collected in Phases 1 and 2 to gain an initial understanding of key issues that may need to be addressed during the operational review.

TASK 3A: FIELD OBSERVATIONS AND ANALYSIS

For this task, Burns & McDonnell will conduct field observations and analysis the information collected, both from Phases 1 and 2, as well as the field observations, to evaluate the operational efficiency of the solid waste system.

Data Review and Analysis

Burns & McDonnell will summarize data received from the MSB for each program (e.g., staffing levels, equipment inventory and maintenance records, contractual provisions, etc.).

Field Observations, Interviews and Focus Groups

Field observations allow us to obtain a true feel for the challenges faced, productivity levels achieved, successes, and areas needing improvement. As part of this task, Burns & McDonnell will perform field observations of the landfill, transfer station and recycling and environmental operations. We will also conduct interviews and focus group discussions with representative staff and contractors. We have budgeted a total of 12 person-days for field observations and interviews. We would expect that we will visit a number of the transfer stations over this time, but may not be able to go to each location. The field observations, interviews and focus groups will occur during the same trip as the kick-off meeting trip.

Computer Modeling

Burns & McDonnell has developed several proprietary computer models for the purpose of evaluating existing systems and/or alternative scenarios for different components of a solid waste system. Burns & McDonnell's Transfer Station Model, which will be tailored to the specific needs of the MSB, allows a transfer station system to be modeled based on operating and cost parameters and compared with a variety of alternative "what if" scenarios.

Benchmarking

Burns & McDonnell will compile benchmarking data from other local governments and private sector service providers in Alaska. Benchmarking data will focus on financial and operational metrics, and will be presented in summary tables.

Identify Opportunities for Cost Savings

During our review of each operation in Task 3B through 3E, we will identify potential options for cost savings. We will provide the MSB with an understanding of the operational scenarios that could be implemented and the opportunities which are likely to yield greater cost savings. We will provide a brief description of the recommendations for changes to be made and a planning level range of potential cost savings. For example, directly funding the cost of collection services for remote customers may be less expensive than the cost of operating remote transfer sites.

TASK 3B: LANDFILL

Performance metrics to be addressed during the review of the landfill include, but are not limited to, the following:

- ▶ Infrastructure
- ▶ Scalehouse operations and processing of incoming and outgoing vehicles
- ▶ Leachate management practices (e.g. evaluate current versus future options)
- ▶ Management of vehicle traffic on the landfill face
- ▶ Compaction patterns, slope, and daily cover practices
- ▶ Contractual terms for operating agreement
- ▶ Business case analysis for procuring/owning compaction machinery and hiring employees to include equipment maintenance requirements vs. current contractor compaction approach
- ▶ Working face operations
- ▶ Litter control and grounds keeping
- ▶ Adequacy and maintenance of landfill equipment
- ▶ Organizational structure and staffing levels, including productive work time and break time
- ▶ Sequencing plan for new cells
- ▶ Cell construction determinations

TASK 3B: TRANSFER STATIONS

Performance metrics to be addressed during the review of the 13 transfer stations include, but are not limited to, the following:

- ▶ Facility configuration and condition of key sites
- ▶ Stationary equipment and rolling stock
- ▶ Staffing (levels of staffing, issues with unattended sites)
- ▶ Hours of operation
- ▶ Waste hauling (efficiency levels, compaction rates)
- ▶ Adequacy and maintenance of transfer station equipment
- ▶ Business case analysis to close certain transfer stations and contract for collection services for individual households (focus on the remote location services)
- ▶ Privatization options (for operation of transfer stations and for individual contracting)
- ▶ Safety and site cleanliness issues

Given that MSB has 13 transfer station locations, our analysis will include a combination of location specific analysis, as well as overall observations for individual facilities.

TASK 3D: RECYCLING

Performance metrics to be addressed during the review of recycling program include, but are not limited to, the following:

- ▶ Contractual terms for operating agreement
- ▶ Facility configuration, design and condition, including materials receiving, storage and load-out areas
- ▶ Equipment type, usage and condition
- ▶ Operating procedures and practices, including hauling activities
- ▶ Marketing of processed commodities
- ▶ Current staffing requirements (full-time, temporary and part-time)
- ▶ Daily work schedules
- ▶ Utilization of operational reports (daily logs, etc.)
- ▶ Opportunities for and benefits of sourcing additional tonnage (including salvaging/reuse)
- ▶ Review of existing programs for scrap metal and community clean-ups

TASK 3E: ENVIRONMENTAL OPERATIONS

Issues to be addressed during the review of environmental operations include, but are not limited to, the following:

- ▶ Maintenance of three closed landfills
- ▶ Septage and leachate management

- ▶ Household hazardous waste collection

TASK 3F: POTENTIAL TECHNOLOGIES REVIEW (OPTIONAL)

Various existing and emerging technologies are available which could facilitate the transition from a traditional, landfill-based solid waste management system to a resource recovery-based system in the MSB. The technologies to be included in the initial evaluation would include:

- ▶ Bioreactor
- ▶ Waste to Energy (e.g. Mass Burn)
- ▶ Composting
- ▶ Construction and demolition debris recycling

Screening Evaluation

Burns & McDonnell will draw from our experience to develop a series of comparative tables on the four technologies identified above. At minimum, the analysis will include the following for each technology:

- ▶ Overview of the technology, including key operating systems, products and residuals resulting from operations, and typical acreage requirements for facility development
- ▶ Broad overview of capital, regulatory, and operational requirements
- ▶ Potential impacts to current operations and any specific policy considerations
- ▶ Environmental benefits and impacts
- ▶ Identification of advantages and disadvantages to technologies
- ▶ The overall status of development of the technology in the United States and abroad

Based on evaluation criteria that we will develop with the PTF, we will screen the technologies being considered. We will then apply the criteria to the list of technologies. We will facilitate a conference call with the PTF to review the Team's initial analysis, to complete the evaluation of the technologies with input from MSB staff, and to select a shortlist of technologies for further consideration.

Detailed Analysis of Shortlisted Technologies

Pending the results of the screening analysis, the MSB may request that Burns & McDonnell complete a detailed analysis of shortlisted technologies. Since this is an optional task, a specific scope of work and budget will be provided to the MSB if a decision is made to proceed. At minimum, this analysis would address the following:

- ▶ Information on number of commercial and/or demonstration plants for each technology (performance history will be provided as available)
- ▶ Information on expected level of effort for permitting and regulatory compliance
- ▶ Estimation of the quantity and composition of material diverted
- ▶ Identification of environmental/regulatory requirements

- ▶ Identification of technical risks associated with the technology
- ▶ Technical and economic feasibility for the technologies. This will include a discussion on estimated capital costs, operations and maintenance costs and anticipated revenues for a facility sized to process the available waste streams. We will provide a pro forma with annualized expenses for capital costs, operations and maintenance costs and revenues that can be compared among the shortlisted technologies.
- ▶ Comparison of the technologies to the current costs of landfilling at the Landfill. This analysis will include development of a pro forma for the current Landfill revenues and expenses using the available data from the MSB to estimate a per ton tipping fee for disposal.

TASK 3G: BUSINESS STRATEGY (OPTIONAL)

For each operation, Burns & McDonnell will provide the MSB with an assessment of how competitive the operation is relative to other efficient public and private sector operations. To the extent that there is a need for operational improvements, Burns & McDonnell will provide the MSB with key findings and recommendations. The business strategy will specifically include details regarding the best use of MSB resources in the future, and will provide guidance regarding how the MSB should change each of the operations in the future. The end of this phase includes a task to have a working group meeting via conference call to discuss the business strategy.

TASK 3H: IMPLEMENTATION PLAN (OPTIONAL)

Burns & McDonnell will conduct a workshop via conference call or during the same trip as the presentation under Task 4C with the PTF to review the initial operational review findings and draft strategy from Phase 3. This task will only be considered after receiving approval from the Assembly to move forward with key recommendations, and has not been included in the base budget. The working group meeting will provide us with an opportunity to report on the operational study findings, and to discuss possible operational improvements. During the workshop, Burns & McDonnell will also collaborate with the PTF to develop an implementation plan.

We will collaborate with the PTF to evaluate each of the options being considered. Based on the preferred alternatives for the multiple operational, financial, code/ordinance and contractual issues, we will provide a planning level implementation plan that will describe the specific activities associated with implementing the preferred alternatives. This will provide a prioritization and timing for each of the strategies. Based on the workshop, we will develop a recommended implementation plan and schedule that the MSB can use to implement the preferred alternatives. This implementation plan will include roles, responsibilities, schedules, and costs.

Phase 3 Deliverables and Tentative Schedule

- ▶ Bulleted summary of key findings and recommendations for each program area reviewed
- ▶ Conference call to discuss key findings
- ▶ Working group meeting to discuss key findings, business strategy and implementation plan (optional)
- ▶ Report section on operational issues to be included in the draft and final reports
- ▶ Implementation plan section to be included in the draft and final reports (optional)

- ▶ Tasks 3A – 3E will be completed by October 31, 2017. Other tasks are optional, and an schedule will be developed following our Notice to Proceed

PHASE 4: REPORT PREPARATION

TASK 4A: DRAFT REPORT

Upon completion of the analyses outlined above, Burns & McDonnell will develop a Draft Report outlining preliminary recommendations and conclusions. Burns & McDonnell is committed to making sure the MSB thoroughly understands the recommendations in the Draft Report. Burns & McDonnell will provide the findings to the MSB staff and allow these individuals sufficient time to have their concerns and/or questions addressed. Burns & McDonnell will have a conference call with MSB staff to discuss the report. Burns & McDonnell would request that written comments be provided as one submittal from MSB staff to ensure consensus regarding staff comments.

TASK 4B: FINAL REPORT

If there is a need to update the draft report and upon receipt of MSB staff recommendations and comments, Burns & McDonnell will make appropriate changes and provide the MSB with a Final Report. We will issue the Final Report within three weeks of receiving comments from the MSB.

TASK 4C: DEVELOP POWERPOINT AND CONDUCT PRESENTATION (OPTIONAL)

Upon request, Burns & McDonnell will develop a PowerPoint presentation that summarizes the key findings of the study and present it to the audience of the MSB's choosing. This presentation and any requested meetings are not included in the base budget and would be completed on a time and expense basis.

Phase 4 Deliverables and Tentative Schedule

- ▶ Electronic version of the Draft Report
- ▶ One conference call to discuss the Draft Report
- ▶ Five printed and one electronic version of the Final Report
- ▶ Draft report to be submitted by November 15, 2017. Final report to be provided within 21 days following receipt of comments to the Draft report. The schedule for the optional presentation will be coordinated with MSB staff

PROJECT SCHEDULE

Burns & McDonnell would anticipate a project schedule of May 15 – December 31, 2017 to complete the scope of services for the authorized tasks. The schedule for the optional tasks will be determined following receipt of the Notice to Proceed.



Project Inquiry - 2402 - BUSINESS ASSESSMENT AND ROADMAP - FY17



Project 25002

Go Reset

Projects

- 25002 - LANDFILL DEVELOPMENT PLAN
 - 2400 - ENTERPRISE FUND BUDGET APPROP. - F. 510
 - 2400 - ENTERPRISE FUND BUDGET APPROP. - F. 510
 - 2401 - REVISE CENTRAL LF DEVELOPMENT PLAN - FY13
 - 2402 - BUSINESS ASSESSMENT AND ROADMAP - FY17**
 - 2488 - SUB-PROJECT CLOSURE - TFR TO F. 510

Summary

Budget Method Project Life Basis

Expenses

Original Budget	\$0.00	
Budget Amendments - Posted	\$150,000.00	
Budget Amendments - Unposted	\$0.00	
Total Budget	\$150,000.00	
Actual	\$0.00	0.00%
Encumbrances	\$149,400.00	99.60%
Unposted Transactions	\$0.00	0.00%
Available Budget	\$600.00	0.40%

Unposted Activity

General

RESO 17-027 ON 8/1/2017 APPROVES AMENDED BUDGET OF \$209,600

Am17-083