

## **Materials Innovation and Recycling Authority**

100 Constitution Plaza

Hartford, Connecticut 06103

Telephone (860)757-7700 - Fax (860)757-7743

# **MEMORANDUM**

**TO:** MIRA Board of Directors

**FROM:** Moira Kenney Assistant HR Manager/Board Administrator

**DATE:** May 4, 2015

**RE:** Notice of Special Telephonic Board Meeting

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There will be a Special Telephonic Meeting of the Materials Innovation and Recycling Authority Board of Directors on Wed. May 6, 2015, at 2:00 p.m. The meeting will be available to the public in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

The purpose of this meeting will be:

1. Board Action will be sought for Resolution Regarding Agreement for Interruptible Contract Waste (Attachment 1).
2. Executive Session held to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations.
3. Board Action will be sought for Resolution Regarding Projected Legal Expenditures (Attachment 2).

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

# TAB 1

**RESOLUTION REGARDING INTERRUPTIBLE CONTRACT WASTE  
DELIVERY AGREEMENT FOR DELIVERY OF ACCEPTABLE SOLID  
WASTE TO THE CONNECTICUT SOLID WASTE SYSTEM**

**RESOLVED:** The President is authorized to enter into a revenue contract with Murphy Road Recycling, Inc. for the delivery of Interruptible Contract Waste to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting; and,

**FURTHER RESOLVED:** The President is authorized to enter into a revenue contract with CWPM, LLC for the delivery of Interruptible Contract Waste to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting; and

**FURTHER RESOLVED:** The President is authorized to enter into a revenue contract with K&W Materials & Recycling, LLC for the delivery of Interruptible Contract Waste to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting.

**Connecticut Solid Waste System  
Interruptible Contract Waste Delivery Agreement**

**CONTRACT SUMMARY**

**Presented to Board:** April 23, 2015

**Counterparty:** Murphy Road Recycling, Inc.

**Contract Type:** Revenue – Interruptible Contract Waste Delivery Agreement

**Facility:** Connecticut Solid Waste System

**Revenue:** FY2016: 30,000 tons at \$54.00/ton, 40,000 tons at \$48.63/ton, equating to revenues of \$3,565,200. Second year to include any adopted increase due to change in law (e.g., State Solid Waste Assessment Fee).

**Term:** Two (2) year (7/1/2015 – 6/30/2017)

**Term Extensions:** None

**Delivery Requirement:** Hauler agrees to deliver 70,000 tons of Acceptable Solid Waste, which is referred to as Interruptible Contract Waste. Acceptable Solid Waste delivered under this agreement cannot originate in a Municipality that has a Tier I Municipal Services Agreement with MIRA. MIRA has the right to curtail deliveries (“Interrupt”) in the event of an unscheduled facility disruption (e.g. boiler outage). MIRA has also put haulers on notice through the RFP documents that there is currently a twenty-eight (28) day outage scheduled in April, 2016 so it is not anticipated that there will be any need for deliveries during that month. Hauler will be notified prior to the start date of this Agreement if that outage schedule is changed to meet the needs of MIRA.

**Put-or-Pay:** Haulers are subject to quarterly delivery commitments. Failure to meet their quarterly delivery commitments subjects the hauler to a delivery payment in the amount of \$15- \$30/ton, dependent on the time of year, for each ton of waste not delivered.

**Delivery Standard:** Acceptable Solid Waste in accordance with Connecticut Solid Waste System Permitting, Disposal & Billing Procedures.

**Credit Security:** Guaranty of payment in a form of letter of credit, surety bond or cashier’s check in the amount equal to two months of waste delivery charges.

**Connecticut Solid Waste System  
Interruptible Contract Waste Delivery Agreement**

**CONTRACT SUMMARY**

**Presented to Board:** April 23, 2015

**Counterparty:** CWPM, LLC

**Contract Type:** Revenue – Interruptible Contract Waste Delivery Agreement

**Facility:** Connecticut Solid Waste System

**Revenue:** FY2016: 25,000 tons at \$54.00/ton, equating to revenues of \$1,350,000. Second year to include any adopted increase due to change in law (e.g., State Solid Waste Assessment Fee).

**Term:** Two (2) year (7/1/2015 – 6/30/2017)

**Term Extensions:** None

**Delivery Requirement:** Hauler agrees to deliver 25,000 tons of Acceptable Solid Waste, which is referred to as Interruptible Contract Waste. Acceptable Solid Waste delivered under this agreement cannot originate in a Municipality that has a Tier 1 Municipal Services Agreement with MIRA. MIRA has the right to curtail deliveries (“Interrupt”) in the event of an unscheduled facility disruption (e.g. boiler outage). MIRA has also put haulers on notice through the RFP documents that there is a twenty-eight (28) day outage scheduled in April, 2016 so it is not anticipated that there will be any need for deliveries during that month. Hauler will be notified prior to the start date of this Agreement if that outage schedule is changed to meet the needs of MIRA.

**Put-or-Pay:** Haulers are subject to quarterly delivery commitments. Failure to meet their quarterly delivery commitments subjects the hauler to a delivery payment in the amount of \$15- \$30/ton, dependent on the time of year, for each ton of waste not delivered.

**Delivery Standard:** Acceptable Solid Waste in accordance with Connecticut Solid Waste System Permitting, Disposal & Billing Procedures.

**Credit Security:** Guaranty of payment in a form of letter of credit, surety bond or cashier’s check in the amount equal to two months of waste delivery charges.

**Connecticut Solid Waste System  
Interruptible Contract Waste Delivery Agreement**

**CONTRACT SUMMARY**

**Presented to Board:** April 23, 2015

**Counterparty:** K&W Materials & Recycling, LLC

**Contract Type:** Revenue – Interruptible Contract Waste Delivery Agreement

**Facility:** Connecticut Solid Waste System

**Revenue:** FY2016: 10,000 tons at \$41.00/ton, equating to revenues of \$410,000. Second year to include any adopted increase due to change in law (e.g., State Solid Waste Assessment Fee).

**Term:** Two (2) year (7/1/2015 – 6/30/2017)

**Term Extensions:** None

**Delivery Requirement:** Hauler agrees to deliver 10,000 tons of Acceptable Solid Waste, which is referred to as Interruptible Contract Waste. Acceptable Solid Waste delivered under this agreement cannot originate in a Municipality that has a Tier 1 Municipal Services Agreement with MIRA. MIRA has the right to curtail deliveries (“Interrupt”) in the event of an unscheduled facility disruption (e.g. boiler outage) or if acceptance of the waste would require MIRA to divert waste out of the CSWS system. MIRA has also put haulers on notice through the RFP documents that there is a twenty-eight (28) day outage scheduled in April, 2016 so it is not anticipated that there will be any need for deliveries during that month. Hauler will be notified prior to the start date of this Agreement if that outage schedule is changed to meet the needs of MIRA.

**Put-or-Pay:** Haulers are subject to quarterly delivery commitments. Failure to meet their quarterly delivery commitments subjects the hauler to a delivery payment in the amount of \$15- \$30/ton, dependent on the time of year, for each ton of waste not delivered.

**Delivery Standard:** Acceptable Solid Waste in accordance with Connecticut Solid Waste System Permitting, Disposal & Billing Procedures.

**Credit Security:** Guaranty of payment in a form of letter of credit, surety bond or cashier’s check in the amount equal to two months of waste delivery charges.

**Materials Innovation and Recycling Authority  
Connecticut Solid Waste System  
Interruptible Contract Waste Delivery Agreement**

*April 23, 2015*

**Executive Summary**

This is to request approval for the President to enter into contracts with three separate waste hauling companies for delivery of Interruptible Contract Waste during fiscal year 2016. MIRA conducted a public solicitation to secure these tons of acceptable solid waste for delivery to the Hartford RRF during FY2016, and subsequently agreed to a contract for a two year term with each of the companies.

**Discussion:**

These three agreements are to secure 105,000 tons of acceptable solid waste for delivery to the MIRA Connecticut Solid Waste System. This acceptable solid waste does not originate in Tier 1 participating municipalities; consequently, these tons will not be delivered to the MIRA's system under municipal service agreements or standard hauler agreements. Accordingly, MIRA will contract with these waste hauling companies for delivery of these 70,000, 25,000 and 10,000 ton increments of acceptable solid waste to help ensure that sufficient tons of MSW are delivered to the MIRA Hartford Resource Recovery Facility in Fiscal Years 2016 and 2017. MIRA's Connecticut Solid Waste System FY2016 budget assumes delivery of contract tons, and these tons comprise a portion of those budgeted tons.

**Overview of RFP**

MIRA issued an RFP for Delivery of Interruptible Contract Waste on February 20, 2015. The RFP was posted on the MIRA website and on the State of Connecticut Department of Administrative Services (DAS) State Contracting Portal website in accordance with MIRA's Procurement Policy. An e-mail notice regarding the availability of the RFP was sent to a distribution list of MIRA's current hauler customers in accordance with MIRA's Procurement Policy.

Responses to the RFP for Delivery of Interruptible Contract Waste were due by March 19, 2015.

MIRA received Proposals from four firms:

- Murphy Road Recycling, Inc.
- CWPM, LLC
- K&W Materials & Recycling, LLC.
- City Carting, Inc.

| <i>Hauler</i>                     | <i>Tons Proposed</i> | <i>Price per ton</i> |
|-----------------------------------|----------------------|----------------------|
| Murphy Road Recycling, Inc.       | 30,000               | \$54.00              |
|                                   | 10,000               | \$52.00              |
|                                   | 15,000               | \$50.00              |
|                                   | 15,000               | \$45.00              |
| CWPM, LLC                         | 28,000               | \$54.00              |
| K&W Materials & Recycling, LLC P. | 10,000               | \$41.00              |
| City Carting, Inc.                | 13,200               | \$28.00              |

The President appointed Peter Egan, Director of Operations and Environmental Affairs; Mark Daley, Chief Financial Officer; Thomas Gaffey, Director of Enforcement and Recycling; and Roger Guzowski, Contract and Procurement Manager to evaluate the proposals.

MIRA initiated discussions with the three firms whose proposals provided the best value to MIRA. Management is recommending entering into agreements with these three proposers as detailed on the preceding Contract Summary pages.

Note that MIRA and Murphy Road Recycling, Inc. have agreed to consolidate the \$52.00, \$50.00 and \$45.00 per ton increments into one price category, equating to a blended rate of \$48.63 per ton.

#### **Financial Summary**

The total revenues associated with the three contracts equal \$5,325,200.00 provided all 105,000 tons are delivered. This revenue is associated with the Connecticut Solid Waste System budget.



**TAB 2**

**RESOLUTION REGARDING ADDITIONAL PROJECTED LEGAL EXPENDITURES**

**WHEREAS**, MIRA has entered into Legal Service Agreements with various law firms to perform legal services; and

**WHEREAS**, the Board of Directors has previously authorized certain amounts for payment of fiscal year 2015 projected legal fees; and

**WHEREAS**, MIRA expects to incur greater than authorized legal expenses from one of its counsels for its arbitration with MDC;

**NOW THEREFORE, it is RESOLVED:** That the following additional amount be authorized for payment of projected legal fees and costs to be incurred during fiscal year 2015:

Firm:

Amount:

Kainen, Escalera & McHale

\$150,000

## **MATERIALS INNOVATION AND RECYCLING AUTHORITY**

### **Request regarding Authorization for Payment of Projected Additional Legal Expenses**

April 23, 2015

#### **Executive Summary**

This is to request board authorization of payment of additional projected fiscal '15 legal expenses.

#### **Discussion**

At its May 2014 regular meeting, the Board of Directors approved payment of FY 15 legal fees and expenses from appropriate budgets and reserves, including use of funds from the Mid-Connecticut Litigation Reserve to pay the costs of the arbitration with MDC. At its October 2014 regular meeting, the Board authorized the transfer of funds from the Mid-Connecticut Project Closure Reserve to the Mid-Connecticut Litigation Reserve, and the payment of up to an additional \$800,000 of projected additional legal costs and expenses of the MDC arbitration from the Mid-Connecticut Litigation Reserve.

The parties submitted Proposed Findings of Fact and Conclusions of Law to the arbitration panel on March 16<sup>th</sup>; simultaneous responses are due May 4<sup>th</sup>, and oral argument is scheduled to be heard on June 3<sup>rd</sup> and 4<sup>th</sup>. We are now seeking board authorization to incur additional legal expenses with Kainen, Escalera & McHale for these matters, which costs will be paid from the Mid-Connecticut Litigation Reserve.