

# CITY OF ANN ARBOR COMPOSTING OPERATIONS CONTRACT FAQ'S

November 19, 2010

- 1) Why is the City of Ann Arbor considering entering into a public-private partnership for operating the City's compost site?
  - a. Like all City funds supported by millage, the Solid Waste fund has seen a significant reduction of revenue. For FY11, the budget reduction target was over \$450,000 in the Solid Waste fund. The City has been forced to look at the levels of service we provide for various solid waste activities to help reach this targeted reduction. By converting compost operations over to a public-private partnership, the City would be able to provide the same level of compost service for our residents and help obtain the budget reduction target.
  
- 2) How is a public-private partnership different from privatization?
  - a. A public-private partnership, like that being proposed for the compost site, is a contractual arrangement that allows an outside vendor to come in and operate the City's facility for a set period of time. The City will continue to own the compost site and building. The City will have control of the operations through the contract language. The City also has a revenue-sharing component in the contract that provides funding to the City for all non-City yard waste coming into the site. The City also receives a portion of all the finished compost/mulch that is sold from the site. With privatization, the City would be just a customer that would pay to dump yard waste on a contractor's site with no control over the operations of that site and definitely no share of revenue for incoming and outgoing product sales. The City has successfully used public-private partnerships for many years with the Materials Recovery Facility (recycling center), the Waste Transfer Station and for curbside recycling collection.
  
- 3) Why doesn't Ann Arbor hire the Michigan company that bid on this proposal?
  - a. The City used a qualifications based selection (QBS) process when reviewing these proposals. A QBS process looks at the proposer's qualifications first to determine if they meet the City's goal for a successful partner. A successful partner is a company that is knowledgeable and has plenty of experience in the field, is financially secure to be able to complete the term of the contract, has a great operational history, has a reasonable business plan for the success of the site and is a good steward of the land and the environment. The financial aspects of the proposal were evaluated only after the proposer's qualifications had been rated. Of the three proposals submitted, one was from Michigan. The Michigan company that bid on this proposal scored significantly lower on the qualifications portion of the proposal when compared with the other two firms. In addition, the Michigan company had higher tip fees than the recommended vendor, WeCare Organics, meaning the City would pay more to have our local yard waste processed. While the Michigan company did propose a slightly higher revenue share for non-city materials entering the site, most of the economic advantage would be based on their

assumption of a much higher tonnage going through the facility, which the evaluation committee determined provided a less reliable assurance of cost savings for the operation.

- 4) Will WeCare Organics be processing bio-solids at the Ann Arbor Composting Facility if they get the contract?
  - a. No, absolutely not. WeCare Organics is required under the proposed contract to accept only compostable materials as defined under the City of Ann Arbor Solid Waste Regulations. This includes yard waste and vegetative food waste, but not biosolids. The compost site is also permitted by the State of Michigan and subject to periodic inspections to ensure the permit is in compliance. The permit does not allow biosolids on the site. In addition, the facility is located in Pittsfield Township and subject to regulations through the Township for operation. Biosolids are not allowed under the Pittsfield Township regulations either. The operating permit will continue to be under control of the City under this public-private partnership.
  
- 5) Will WeCare have the ability to mix the finished compost from the Ann Arbor Composting Facility with sewage sludge compost originating from other facilities?
  - a. No, WeCare will not be mixing any biosolids with the finished compost from the Ann Arbor Composting facility and have offered to bind themselves through the contract to this effect.
  
- 6) What will WeCare be doing to assure the ongoing quality of the finished compost?
  - a. WeCare will continue to test to meet the US Composting Council STA (Seal of Testing Assurance). This includes testing samples a minimum of three times per year. (this is the same quality assurance practice the City uses) The City of Ann Arbor has been participating in this program since 1994, and current results can be viewed at [www.a2gov.org/compost](http://www.a2gov.org/compost) . WeCare is an active member of the US Composting Council and participates in the STA program at many of their sites.
  
- 7) Why does WeCare call themselves organic?
  - a. The term “organic” in the composting industry refers to materials that are compostable (matter that once came from a living organism, and is capable of decay). Two of the three firms that submitted proposals to Ann Arbor had the term “organic” in their name and none of the three proposers were claiming to be “certified organic”. Certified organic is a USDA term through the National Organic Program that regulates the standards for any farm, wild crop harvesting, or handling operation that wants to sell an agricultural product as organically produced. Compost is not an agricultural commodity.
  
- 8) What is WeCare going to do to hire locally?
  - a. WeCare is going to make all efforts to hire locally, including interviewing temporary staff that currently works at the City’s facility. They expect to hire all their personnel from the Ann Arbor area and provide them with any necessary training. # # #