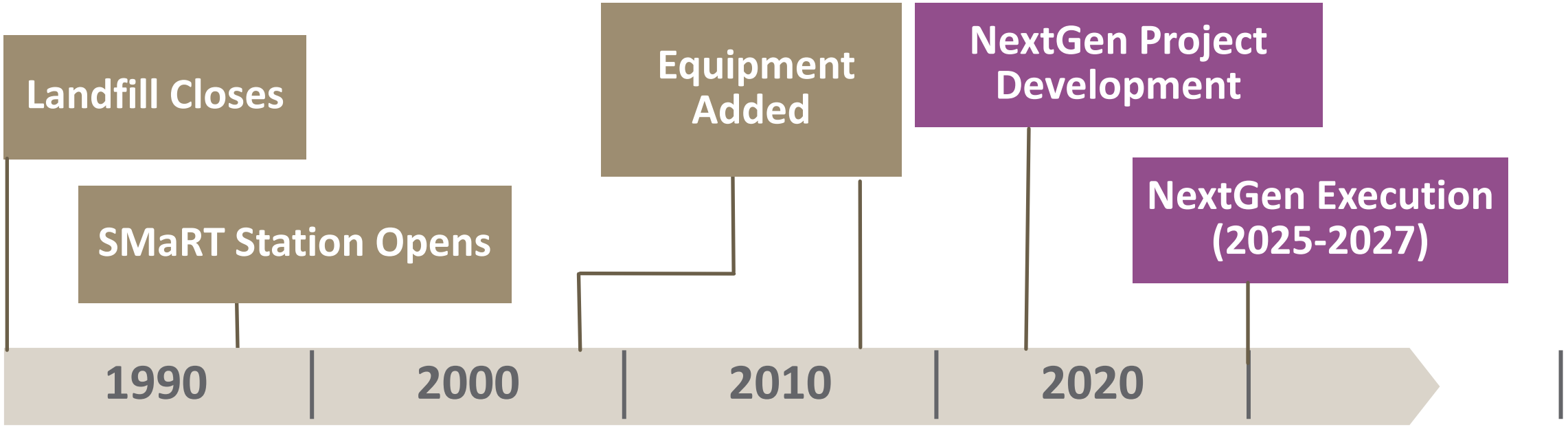
Sunnyvale

SMaRT Station® NextGen Project Equipment Contracts

Agenda

1. SMaRT Station® Overview
2. NextGen Project Goals
3. NextGen Project Scope
4. Costs and Funding
5. Recommendations

SMaRT Timeline



SMaRT Incoming Waste Streams

Garbage/Municipal Solid Waste

Tree and Yard Trimmings

Food Scraps

Bottles, Cans & Containers

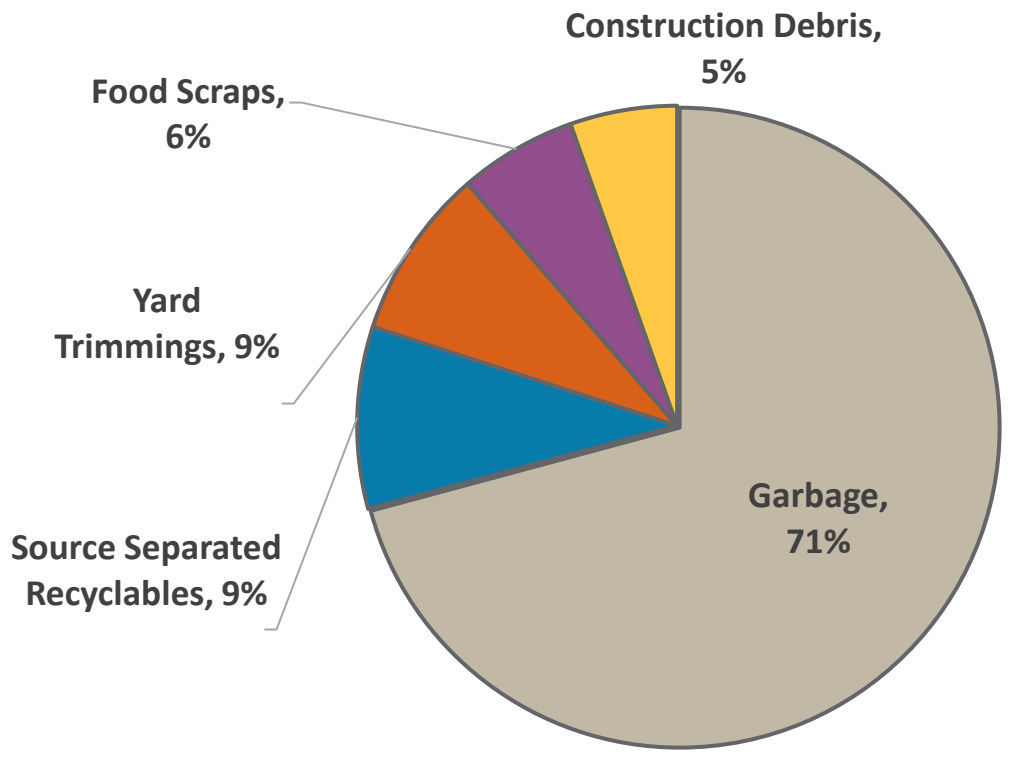
Paper & Cardboard

Construction and Demolition Material

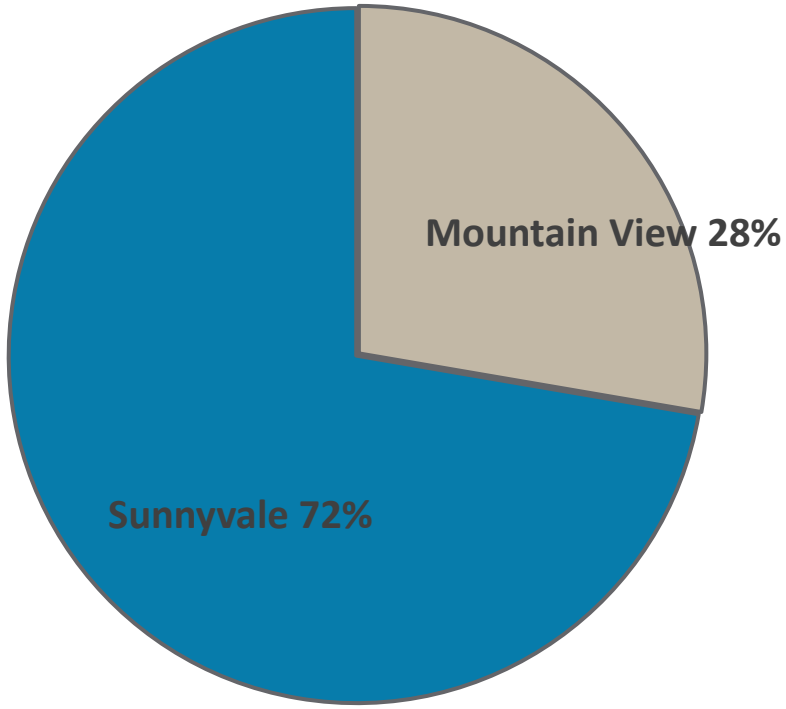
Source Separated Recyclables

Incoming Waste Stream (~185,000 tons/year)

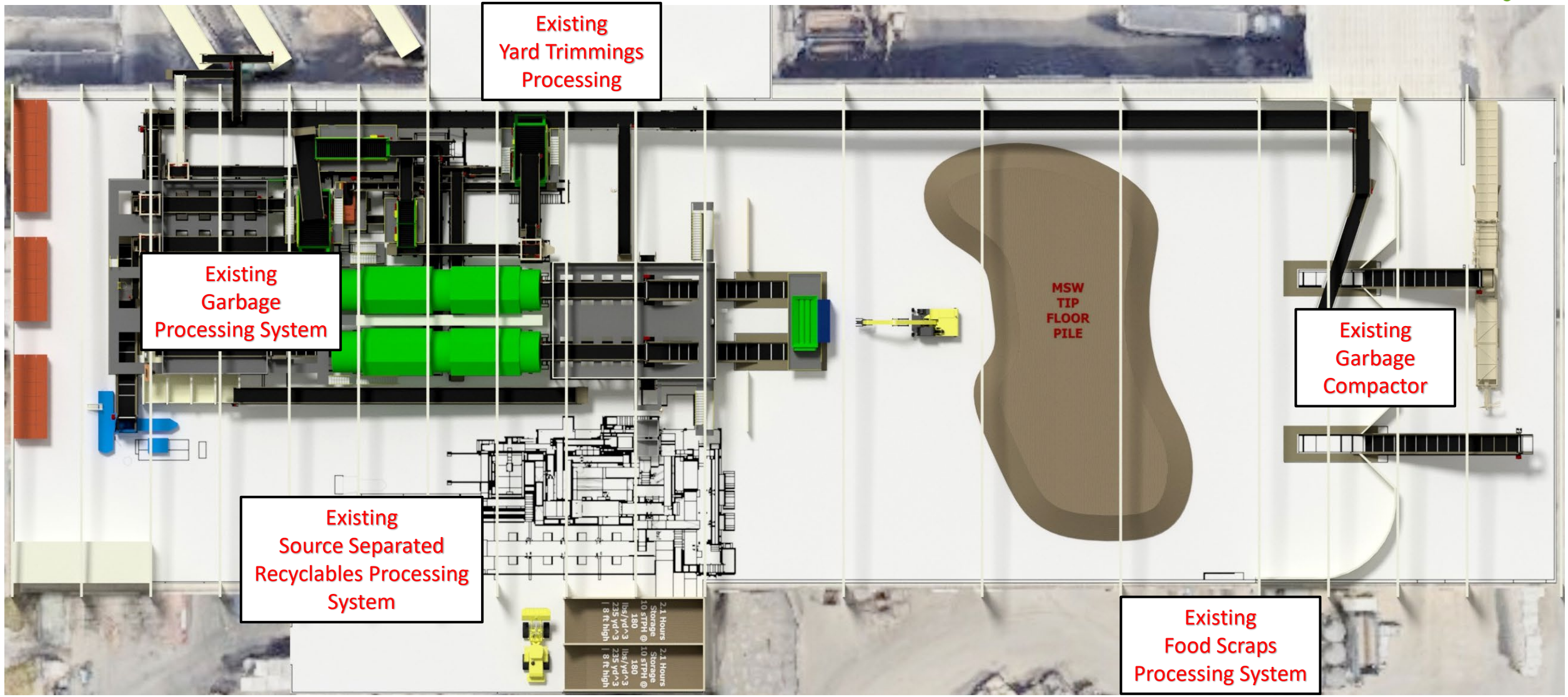
Waste Stream Composition



Partner Cities Tonnage Share



Existing Process



NextGen Project Goals

1. Replace old and failing equipment that is past its useful life
2. Improve efficiency - Provide single integrated system for garbage and source separated recyclables
3. Increase Diversion
   - Become a high-diversion organics processing facility
   - Increase recyclables recovery
   - Increase overall diversion
4. Increase Purity (Quality) of Recovered Material

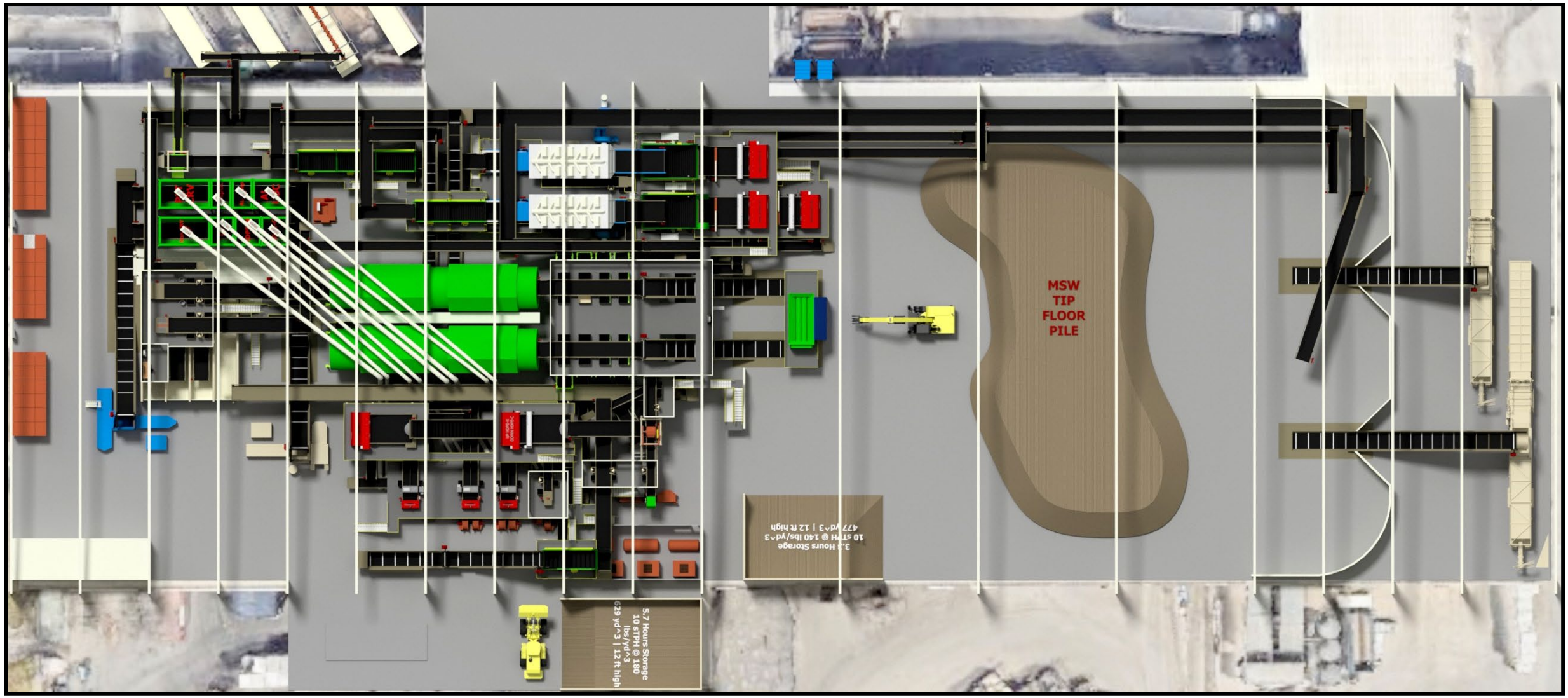
Council Policies and Municipal Codes

- **Council Policy 3.2.4** - Zero Waste: City will work to reduce the amount of Sunnyvale waste being disposed.
- **Council Policy 7.1C.1.3** Capital Improvement Policies
- **Council Policy 3.2.1** Solid Waste Management, Goal 3.2F: Maintain sound financial strategies and practices
- **SMC Chapter 2.08** - Requests for Proposals Best Value Process and Sole Source Goods or Services

Procurement Process

- Initial procurement in 2023 rejected all bids – only one bid, substantially over budget
- Readvertised for RFPs in May 2024
- Received 3 proposals in August 2024
  - One proposal deemed non-responsive
  - Staff assessed remaining two proposals
  - Bulk Handling System (BHS) selected as the most qualified candidate
  - Negotiations to refine design, scope of work and cost

Proposed Project



Contract Scope

Bulk Handling System (BHS) System:

- New Equipment
- Supporting structures
- Electrical controls
- Sort cabins with HVAC
- Installation, commissioning, testing & training

BHS - Air Separator

BHS - Optical Sorter

BHS Contract - New Equipment

Sierra Recyclables Baler

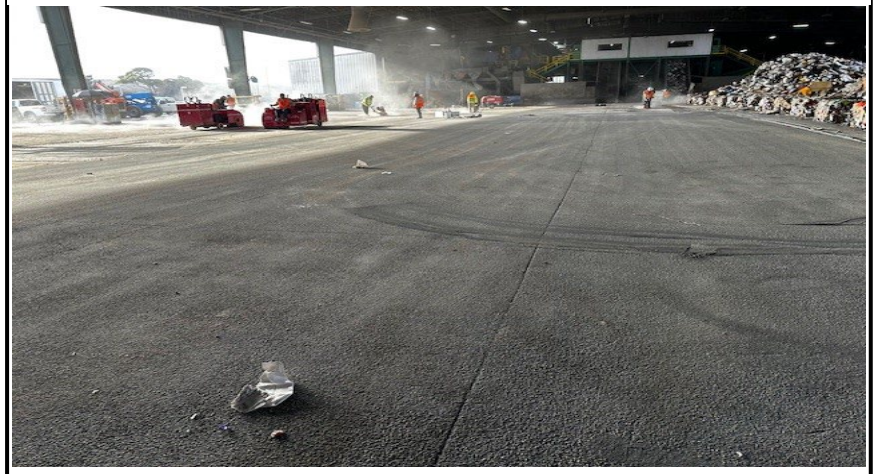
Disc Screens

Shredding Systems Incorporated (SSI) Contract – Pre-Load Garbage Compactor

Work Done To Date

- Refurbishment of the Tip Floor
- Bag Opener/Shredder
- Electrical Feeder Line
- Other Professional Services

Tip Floor



Bag-opener/Shredder

Other NextGen Improvements (separate contracts)

- Retrofit of existing trommel screens
- Upgrade existing conveyor belts
- Facility-wide Asphalt paving
- Fire suppression system
- Ancillary civil & structural work

Trommels

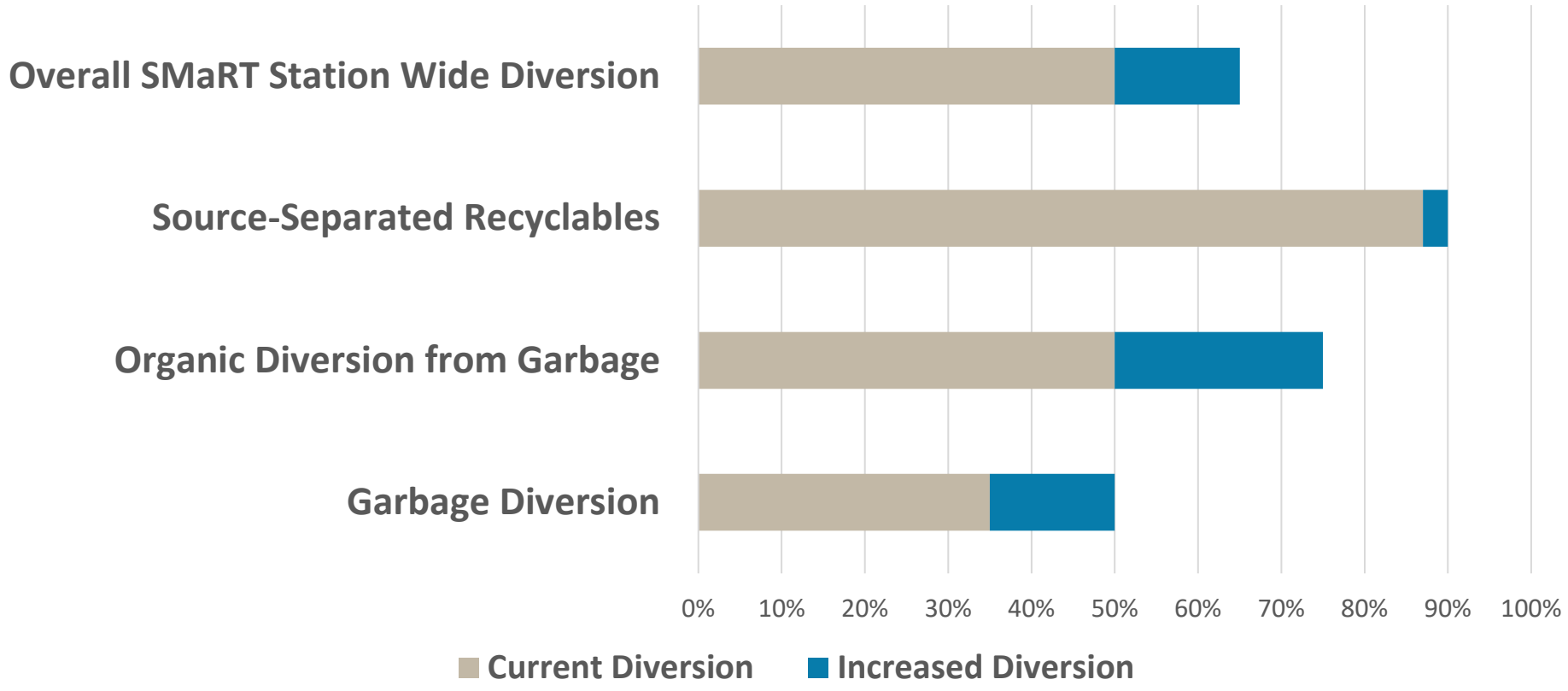
Old Conveyor Belts

Project Costs

NextGen Project Components	Cost (In Millions)
Project Expenses to Date	$5.54M
BHS Contract including contingency	$35.06M
SSI Compactor including contingency	$2.55M
Other NextGen Improvement Projects	$8.26M
Total Project Cost	**$51.41M**
CalRecycle Grant*	$6.57M
Net Project Cost	**$44.84M**

**Just awarded; will bring to Council for acceptance in June 2025*

Project Outcomes



- Automation is expected to reduce number of manual sorters
- Estimated Project timeline is 18 months

Fiscal Impact & Project Funding

- Request budget modification of $16.75M to Project 828260 to fund entire project cost
- Project will be funded through issuance of revenue bonds
- Annual Debt service is expected to be $3.4M
- Solid Waste 20-year Financial Plan reflects estimated debt service
- Shared between Sunnyvale (~72%) and Mountain View (~28%)
- Future partners also expected to pay their share of project costs

Environmental Review

- City Council certified Environmental Impact Report in 1990.
- Addendum #3 prepared for the NextGen Project.
- No major revisions are required as no new environmental impacts.

Staff Recommendation: Alternatives 1-8

1. Accept Addendum #3 to the previously certified Environmental Impact Report (State Clearing House No. 89022812);
2. Award a Service Agreement in substantially the same form as Attachment 1 to this report in an amount not-to-exceed $34,545,000 to Bulk Handling System (BHS) Inc. of Eugene OR. for the purchase and installation of the SMaRT Station Municipal Solid Waste and Source Separated Recyclables Integrated Processing System (NextGen) Project;
3. Approve a 1.5% contingency for the project in an amount not to exceed $518,175;
4. Approve a purchase agreement in the amount of $2,512,147 to Shredding Systems Incorporated (SSI) of Wilsonville OR, for the purchase of a pre-load compactor and approve a 1.5% contingency for the compactor in the amount of $37,682;
5. Approve Budget Modification No. 24 in the amount of $16,735,288;
6. Adopt a Resolution declaring the intention to reimburse expenditures from the proceeds of solid waste revenue bonds to be issued by the Sunnyvale Financing Authority, and directing certain actions;
7. Authorize the City Manager to execute both agreements when all necessary conditions have been met; and
8. Authorize the City Manager to execute amendments to both contracts to incorporate the contingencies

Questions