

# Compost Facility Procurement Question

## Important Timing Consideration

After CBJ received the Congressionally Directed Spending, EPA then required an application process. CBJ expects that EPA will approve our application and allow reimbursement for allowable expenses starting in the Summer of 2024. We also anticipate that EPA will give CBJ 24 – 36 months to prepare the site and select a Contracted Operator. Available funding will likely only be enough for access/utilities/site development and no structure.

Per CBJ Law and Procurement

CBJ is unable to use the following procurement methods:

- Single or 'Sole' Source ([53.50.090 \[c\]](#)) for services/operation of the site
- Alternative Procurement ([Article IX, Section 9.14](#)) for services/operation of the site (this section of code refers to public improvements and not services)
- Any kind of noncompetitive process for the *design and construction* of the composting site ([53.50.090](#))

## Question for JCOS:

**Should CBJ lease the future compost facility directly to a composting company? Or should CBJ contract for composting services?** *For reference, CBJ currently contracts with Waste Management to operate the Recycleworks facility and Clean Harbors to operate Household Hazardous Waste. Functionally this looks like CBJ providing the space and issuing an RFP periodically for an operator that CBJ pays to provide the service.*

### Contract/Request for Proposals (RFP)

- **Process:** Competitive bidding through a public procurement process.
- **Control:** Through the contract, CBJ could have a high level of control over the organics waste stream (i.e. hours, operations, cost to clients, etc.).
- **Subsidy:** A contract for composting services would mean subsidization of composting; what level of subsidy would be a separate decision.
- **Funding:** A Contracted Operator chosen through a public procurement process would allow CBJ to use CBJ funds resources to improve and increase composting.
- **Timeline:** CBJ could issue an RFP for services when the City is through enough design to know what the facility will look like and has made a decision on the level of control and desired goals for a municipal composting program.

### Lease to a for-profit entity (code allows for below market rates to non-profits and governmental bodies [53.09.260](#) & [53.09.270](#))

- **Process:** Competitive leasing through a public process. (Note: This is not a standard process and would take more time than a standard contract RFP to develop and issue.).
- **Control:** CBJ would have a low level of control over the organics waste stream (i.e. hours, operations, cost to customers, etc.).
- **Subsidy:** Leasing the facility would mean low to no subsidization of composting, except through separate contracting for services.
- **Funding:** It would be harder to use some federal funding (e.g. EPA SWIFR grants) or CBJ resources for the benefit of a for-profit business.
- **Timeline:** The leasing would have to start when the City is through enough design to know what the facility will look like and has made a decision on the level of control and desired goals for a municipal composting program.