



Juneau Commission on Sustainability

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To: Chair Bryson and members of the Public Works and Facilities Committee

From: Nick Waldo, Chair, JCOS Solid Waste Subcommittee

Date: June 6, 2023

Subject: JCOS recommendations on composing facility contracting process

The future municipal composting facility is an exciting development and JCOS fully supports the City's efforts to increase the scale and efficiency of composting services as a means to divert waste from the landfill and recover valuable resources. However, the promise of this facility in the near future is creating financial uncertainty for the one business which currently offers commercial composting services in Juneau. To support the continuity of compost services in a way that is fair and business-friendly, JCOS recommends launching a competitive bid process for compost facility operations prior to the facility actually being operational.

Background

- JCOS is invested in supporting continued and expanded composting services in Juneau because composting is a far more sustainable means of food waste disposal than landfilling. Benefits include:
 - Diverting waste from the landfill, which has limited remaining capacity.
 - Reducing greenhouse gas emissions by processing organics in an aerobic environment, where carbon is emitted as CO₂ rather than methane, a much more potent greenhouse gas which is generated in anaerobic landfills.
 - Produces valuable compost for Juneau's gardeners, reducing the need to ship bulky compost in from out of state or produce and ship chemical fertilizers.
- Juneau has a single commercial composting business, Juneau Composts, which has diverted approximately 1.5 million pounds of food waste since 2017.
- The owner of Juneau Composts has testified to JCOS' Solid Waste Subcommittee that if another business is selected as the operator of the new City facility, it will most likely put her out of business.
- This uncertainty reduces Juneau Composts' ability to invest in maintenance and upgrades to their current facilities and equipment, possibly leading to a situation where it does not make sense to continue operations, even before the new facility opens.

Proposal

- JCOS recommends the City issue a request for proposals (RFP) and sign a contract as early as possible in the pre-planning and design process for a contractor to both:
 - advise on the design of the new facility;
 - be its first operator when it comes online.
- The contract with both the advisor/initial operator and the facility designer should specify a flexible design, to avoid the creation of a facility that only one operator could use in the future.
- The contract should include optional tasks and contingency language to avoid committing public funds to paying for operation services prior to the facility being operational.

Benefits

- The City gains a design advisor with a vested interest in the success of the facility.
- Establish a predictable business environment.
- Ensure the facility is ready to begin operations as soon as it is completed instead of having to go through an additional competitive bid process once it is built.
- If the existing local business is selected, awarding the contract early ensures a continuity of service and retention of local expertise between now and the opening of the new facility.
 - No other operator is likely to or able to replace this one before the new compost facility is completed and open for use in a few years. The premature loss of this private operator effectively means that mid-scale composting services for the public would cease for several years.
- If a different business wins the contract, the longer lead time gives them an opportunity to prepare for operations concurrently with the design and construction of the facility.

Drawbacks

- If a business other than Juneau Composts wins the contract, there is a possibility that this course of action may lead Juneau Composts to wind down their operations earlier. This would be a loss for sustainability in Juneau, but one which also may occur if the City follows the default option of waiting to issue the contract.
- If there are construction delays, the facility may not be operational within the span of this contract, reducing the benefits of this proposal and expending unnecessary effort and money on the procurement process.
 - Careful writing of the contract can ensure that public funds are not committed to tasks which are not needed.

Overall, JCOS believes that the benefits outweigh the drawbacks. If the existing local small business wins the contract and this added certainty allows it to stay in business and continue providing services in the interim, the City's sustainability goals are served greatly by the continued waste diversion and composting. If another business wins the contract then an answer is known and all parties can plan appropriately for the new facility.