

# Transfer Station Funding

Public Works Committee  
June 19, 2018

## Transfer Station Funding

# Requested PWC Direction

PWC recommend one of the following options:

1. Stay the course on the original design knowing there may be a funding shortfall once bids are opened.
2. Allow Summit Waste Systems' (SWS) proposed design change knowing there may be a funding shortfall at opening of bids. Change includes:
  - relocation of Transfer Station on site
  - in-kind work from SWS
3. Council declines to appropriate additional funding and authorizes the City Manager to proceed with Transfer Station project once SWS agrees to fund all costs in excess of the proceeds from the sale of the equipment (\$1.152M)

# The Contract – SWS Tasks

- SWS Contract executed (1/2016)
- Contract provisions relating only to the transfer station include:
  - Phase 1: Run landfill & some environmental programs
    - Purchase equipment; proceeds to be used for Transfer Station design, permitting, and construction
  - Phase 2: Operate transfer station
- SWS assumed operation (3/1/2016)

# The Contract – LS Tasks

- SWS Contract executed (1/2016)
- Contract provisions relating only to the transfer station include:
  - Phase 1: Sell equipment to SWS
    - Design, permit, and construct Transfer Station
  - Phase 2: City tasks are not related to Transfer Station

## Transfer Station Funding

# The Contract

- Proceeds from the sale of the equipment will be used to design, permit and construct the transfer station
  - The equipment sale netted \$1.152M
- “...in the event that the cost of design, construction and permitting of the transfer station would exceed the amount paid by the Contractor...Contractor and City agree to negotiate in good faith for an equitable allocation ...such excess costs...”
  - The project estimate based upon completed preliminary design is \$1.991M
  - SWS’ estimate, assuming in-kind contributions from SWS, is \$1.596M

# Negotiations

- Design and negotiation between the City and SWS have been ongoing since May 2016
- Staff and SWS have explored:
  - Identifying additional funding based upon preliminary design project estimate
  - Possible land lease with SWS owning the building
  - Design/build with SWS as contractor
  - SWS bidding and being responsible for construction and any overruns and all maintenance or repair
  - SWS suggested design changes, moving the location of the building, and in-kind work to reduce costs of construction

# Contract Considerations

- Under the contract, Council may decide not to provide additional funding for the Transfer Station
- Whether or not Phase 2 (Transfer Station) is implemented, remainder of Contract remains in effect
- SWS does have a right to terminate all or part of the contract

# Other Considerations

- The PWC and City Council may also consider the convenience of local solid waste disposal options for Lee's Summit businesses and residents in the decision making process.
- Any additional City funding would most likely need to come from the General Fund.

## Transfer Station Funding

# Option 1

Stay the course on the original design knowing there may be a funding shortfall once bids are opened.

- City/HES participated in the design
- Public Open House was held
- Total cost was estimated at \$1.991M
- Equipment proceeds were \$1.152M
- SWS additional contribution \$.400M
- Shortfall \$.439M

## Transfer Station Funding

# Option 2

Allow Summit Waste Systems' (SWS) proposed design change knowing there may be a funding shortfall at opening of bids.

New location and “slightly adjusted” size

- SWS Estimated Cost \$1.596M\*
- Equipment proceeds were \$1.152M
- Design modification estimate \$.100M
- SWS additional contribution \$.400M
- Shortfall \$.144M

\*does not include \$87K in eliminated items and \$276K of SWS in-kind services

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# Option 3

Council declines to appropriate additional funding and authorizes the City Manager to proceed with Transfer Station project once SWS agrees to fund all costs in excess of the proceeds from the sale of the equipment (\$1.152M)

# Transfer Station Funding Options Summary

	Option 1	Option 2	Option 3
<b>Description</b>	Original Design	SWS Modified Design \$\$.100M	No More City Funds
<b>Project Requirements</b>	Design Process (30% Complete)	Design Process (0% Complete)	
	City Development Process	City Development Process	
	MDNR Permitting	MDNR Permitting	
	Public Bidding	Public Bidding	
	Prevailing Wage	Prevailing Wage	
	Construction	Construction	
	<b>City Contribution (Equipment Proceeds)</b>	\$1.152M	\$1.152M
<b>SWS (Capped Cash Contribution)</b>	\$0.400M	\$0.400M	
<b>Estimated Total Project Costs</b>	\$1.991M*	\$1.596M**	\$0.115M***
<b>Minimum Estimated City Funding Shortfall</b>	(\$0.439M)	(\$0.144M)	\$1.037M
<b>Project Cost Notes</b>	*project estimate from Jan. 2017; would not include current concrete and steel prices	**reduced by \$87K in eliminated items and \$276K of SWS in-kind services	***design costs spent to date

Transfer Station Funding

# The Schedule

**City of Lee's Summit RRP  
Tentative Transfer Station Schedule  
Updated June 7, 2018**

<b>Task 1 City Development Process</b>		
Pre-Application Meeting		July 2018
Prepare Minor Plat	2 months	July 2018 to Aug-18
Submit Minor Plat		Aug 2018
Open House with Public		Aug 2018
Prepare Special Use Permit (SUP)		Aug 2018 to Oct 2018
Submit SUP		Oct 2018
Applicant's Meeting		Nov 2018
Planning Commission Meeting		Dec 2018
City Council Hearing		Jan 2019
<b>Task 2 MDNR Permit Process</b>		
MARC Approval	4 weeks	Aug 2018 to Sept 2018
Pre-Application Meeting		Jan 2019
Design	3 months	Jan 2019 to Mar 2019
Permit Application Submittal		Mar 2019
Application Review	6 months	Mar 2019 to Aug 2019
Public Hearing		May 2019
Receive Construction Permit		Aug 2019
<b>Task 3 Design Process</b>		
Geotechnical Investigation	2 months	Jan 2019 to Feb 2019
Detailed Design and Construction Documents	3 months	Mar 2019 to May 2019
Final Development Plan	1 month	June 2019 to July 2019
Codes Review	1 month	June 2019 to July 2019
<b>Task 4 Construction</b>		
Bid and Contracting	3 months	Aug 2019 to Oct 2019
Construction	6 months	Nov 2019 to Apr 2020
Operating Permit Application Preparation	6 months	Jan 2020 to June 2020
Operating Permit Review	2 months	July 2020 to Aug 2020
Receive Approval to Operate		Sept 2020

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## Questions