This report provides information regarding the plans for a replacement waste-to-energy (WTE) plant in response to Item 2C on the April 13, 2022, agenda of the Chairman’s Council of Policy. The agenda item is a resolution, sponsored by Chairman Jose “Pepe” Diaz, directing: 1) the County Mayor or designee, within 60 days, to issue a solicitation for a design criteria professional to prepare a design criteria package for a new WTE plant to replace the County’s Resources Recovery Facility (RRF) in Doral, FL; 2) bring the recommendation resulting from the solicitation directly to the Board of County Commissioners (Board), without committee review, and 3) use all legally available and budgeted funding to accomplish the directive and, if there is insufficient budgeted and legally available funding, to set forth in the recommendation what additional funding is required to obtain the services of the design criteria professional.

The Administration agrees on two important points. First, the County needs to construct a new WTE plant to replace the one currently operated by Covanta. Our landfills are nearing capacity and sending hundreds of trucks daily to landfills in central Florida is not efficient, sustainable or resilient. Secondly, the current WTE plant must be renovated and upgraded to allow it to continue to operate pending the construction and bringing on-line of the new facility. We will make every effort to make that time frame as short as possible, taking into account the complexities associated with these types of facilities.

The resolution is also asking that the BCC decide now the two important issues of the delivery method for the project and the location of the facility. The administration believes that more information is required before making the best recommendation to the BCC on those two issues. The County is already in the process of planning for a replacement WTE plant. Currently, the Department of Solid Waste Management and the Internal Services Department are preparing a solicitation to obtain planning expertise for this project and are also exploring using the services of the existing Bond Engineer for DSWM to expedite the process. Such expertise is important to the success of this project and could help work through pending decisions, such as the optimal location of the plant and the potential for a sustainability campus that might include a Materials Recovery Facility (MRF), transfer station and/or related infrastructure. Additionally, the County must determine the best procurement delivery method, including considering the use of an integrated model such as a Design, Build, Finance, Operate and Maintain (DBFOM) for the WTE plant. Therefore, we encourage the Board to direct staff to complete the planning groundwork prior to soliciting for a design-criteria professional.

To ensure progress toward the replacement WTE plant, staff will develop and release a Request for Information (RFI) within 60 days. An RFI is a useful tool to perform formal market research and gather information from potential suppliers. On this project, an RFI can help with obtaining information such as comments and feedback; best practices, industry standards and available technology; supplier availability, capabilities and interest; supplier recommendations for a successful project and location; and input on the procurement process.
We will also continue to investigate the best procurement delivery method for a WTE plant. One of the challenges we face is that there is no dedicated source of funding for this kind of project, and the infrastructure funding coming out of Washington, D.C. does not include funding for solid waste projects. Preliminary cost estimates place a new facility at over $1 billion. However, since these facilities generate energy that can be monetized, there could be an opportunity for a P3 delivery method. This includes considering the DBFOM model to solicit all phases at once and award to one developer that will be responsible for entire project. Benefits of this model include exploration of procurement efficiencies (using one solicitation, rather than multiple solicitations to award by phase); saving project time through cost/schedule efficiencies by the developer; design innovation through developer design alternatives and problem solving; risk transfer to the developer; less upfront investment by the County; and integrated operations and maintenance since this provider is engaged by the developer in the design phase.

In determining whether to use a DBFOM, the County will complete additional financial analysis, such as engaging a financial advisor to prepare a Value for Money (VfM) analysis. The VfM would compare the use of traditional delivery models (such as design, bid, build) to the integrated DBFOM model, to recommend which model is expected to deliver the best “value for money” due to life cycle costing and quality, risk transfer, any performance incentives, and minimizing the County’s fiscal liabilities.

Let me assure you that I recognize that we need to find a long-term solution to the waste situation in Miami-Dade County, and a new WTE plant is a critical piece of that solution. The administration is committed to making sure we use the best delivery method for the project and select the right location.

Should you require additional information, please contact Alex Muñoz, Director, Internal Services Department, at 305-375-1113.

c:  Geri Bonzon-Keenan, County Attorney
    Gerald K. Sanchez, First Assistant County Attorney
    Jess M. McCarty, Executive Assistant County Attorney
    Office of the Mayor Senior Staff
    Alex Muñoz, Director, Internal Services Department
    Michael Fernandez, Director, Solid Waste Management
    Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
    Yinka Majekodunmi, Commission Auditor
    Basia Pruna, Director, Clerk of the Board