


Date: April 14, 2023

To: Thomas B. Modica, City Manager 

From: Robert Dowell, Director, Energy Resources 

For: Mayor and Members of the City Council

Subject: **Completion and Release of the SERRF RFP**

On September 7, 2021, the City Council approved awarding a contract to HDR Engineering Inc., of Long Beach, CA (HDR), for professional engineering and recycle/solid waste management consulting services. HDR's role was to assist the City of Long Beach (City), Energy Resources Department, with the preparation of a Request for Proposals (RFP) for the continued operation and future development of the Southeast Resource Recovery Facility (SERRF) including organic materials processing, addressing the City's disposal needs, and verifying compliance with Federal and State regulations and requirements.

On February 8, 2022, State Assembly Bill 1857 (AB 1857) was introduced that removed the existing AB 939 waste diversion credit for jurisdictions that deliver their municipal solid waste to Waste-To-Energy (WTE) facilities, such as SERRF, beginning January 1, 2023. City staff conducted a Study Session with the City Council on April 5, 2022 to present the potential impacts of AB 1857 on SERRF's current and future operations. The potential loss of nearly 50 percent of the waste tonnage processed annually at SERRF, along with the corresponding loss of revenue, introduced significant financial risks to the City that were not considered in the initial development of the RFP. As a result, completion and issuance of the RFP, originally scheduled for the July – September 2022 timeframe, were paused pending the outcome of the proposed AB 1857 legislation.

AB 1857 was passed in late August 2022 and signed by the Governor on September 16, 2022. Shortly afterwards City staff re-engaged with HDR to revise the RFP to incorporate the impacts from AB 1857 with a key deliverable now being to identify comprehensive environmental and economically viable options for the future of SERRF, including organic waste processing in compliance with the California Short-Lived Climate Pollutant Reduction Strategy (SB 1383).

Development of the RFP has now been completed and it is anticipated to be released this month. The RFP seeks to contract with a developer to design, permit, finance, construct, own, and operate an organic waste receiving and processing facility at the SERRF site in compliance with SB 1383. The City will sublease the SERRF site to the Contractor for a 10 to 20-year term. At the end of the contract period, ownership of the organic waste receiving and processing facility will transfer to the City without compensation to Contractor.

Additionally, the RFP contemplates that due to economic factors, it is possible that SERRF will be decommissioned in the near future. However, the City desires to utilize the SERRF site and assets to continue to reduce the amount of waste to be disposed in landfills, and to comply with

AB 1826 and SB 1383. As such, the City is seeking the development of a new organics receiving and processing facility at the SERRF site.

The desired outcome of the RFP will:

1. Result in an integrated materials management system that supports the City's waste reduction, diversion, recycling, and climate action, and sustainability programs and initiatives.
2. Provide reliable, environmentally sound and cost-effective management of the City's organic waste (green waste and food waste).
3. Support the City and County's efforts to comply with the large number of regulatory requirements, including but not limited to:
 - AB 939 – The Integrated Waste Management Act of 1989
 - AB 32 – Global Warming Solutions Act of 2006
 - AB 341 – Mandatory Commercial Recycling Law of 2012
 - AB 1826 - Mandatory Commercial Organic Waste Recycling Law of 2016
 - AB 1594 – Prohibits green waste material from being used as daily cover at landfills
 - SB 1383 - California's Short-Lived Climate Pollutant Reduction Strategy of 2016
4. Maximize materials recovery, with remaining waste managed through efficient conversion to compost, renewable energy, fuel, chemicals, and/or other usable products.
5. Utilize infrastructure of the City's partner agencies when possible, including the Districts' JWPCP for accepting processed and liquified food waste.
6. Be a resource for the region's organic waste management.
7. Adhere to the Los Angeles County Integrated Waste Management Plan.
8. Support the City's Climate Action Plan (2022) through the reduction in greenhouse gas emissions associated with waste disposal, providing energy recovery that can offset the additional use of non-renewable energy sources, and the development of an organics processing facility at SERRF.
10. Support the City's Sustainable City Action Plan (2010) by generating renewable energy, reducing waste volume, recovering value and materials from waste.
11. Enhance the community by providing quality jobs, purchasing of local goods and services, and taking steps to mitigate potential negative impacts such as traffic, odors, human health and environmental impacts.

The pre-bid meeting for the RFP has tentatively been scheduled for May 2, 2023 and responses to the RFP will be due back on June 30, 2023.

Long Beach has long been a leader in waste management in the United States. The City developed a comprehensive solid waste management strategy to reduce the amount of waste to be disposed in landfills, along with reducing the consumption of natural resources by

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processing municipal solid waste in its SERRF operations and generating electricity. With a proven commitment to forward-thinking waste management practices, the newly developed RFP is continuing to look ahead by addressing the current challenges facing SERRF's operations and incorporating the State's organics management mandates.

If you have any questions, please contact Bob Dowell, Energy Resources Director, at (562) 570-2001.

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