



Town & County of  
**NANTUCKET, MA**

**Overview of  
Agreements with Waste Options Nantucket, LLC**

**The Asset Purchase and Sale Agreement (APSA)  
and  
The Waste Services Agreement (WSA)**

**Presented to the Nantucket Select Board  
30 April 2025**



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## ***OVERVIEW OF CURRENT OPERATIONS***

- Waste Options (WON) operates the Town's solid waste disposal facility located at the Town-owned Site at 188 Madaket Road.
- Facilities at the site include:
  - Materials Recovery Facility (the MRF)
  - Composting Facility (now owned by WON)
  - Transfer Station (now owned by WON)
  - Residuals landfill
- The WON operating contract expires on November 30, 2025.
- Before then, the Town will buy the Composting Facility and the Transfer Station. as authorized by vote approving Article 19 at the 2024 Town Meeting.
- The APSA sets forth the details and conditions of the Town's purchase.



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## ***WHAT IS INCLUDED IN THE ASSET PURCHASE?***

- The Composting Facility and Transfer Station
- All associated fixed equipment and supplies, tools, materials, and spare parts inventory
- All other assets including licenses, design plans, manuals, warranties, agreements, software, records, files and documents
- Purchase excludes all mobile equipment





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## ***PURCHASE PRICES***

- **\$1.0 million** for the Composting Facility  
per Town's purchase option in the existing WSA
- **\$3.4 million** for the Transfer Station  
based on a fair market value appraisal





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### ***CONDITION***

- The Composting Facility entered operation November 2003.
- The Transfer Station was reconstructed after a 2013 fire.
- The Town has negotiated transition arrangements with Waste Options to provide for:
  - ✓ Purchased Assets to stay in **working order** with continued maintenance through date of purchase.
  - ✓ Town inspection rights to assure assets are in acceptable condition.
  - ✓ Repairs Letter Agreement addresses maintenance and replacement projects for Waste Options to complete prior to the purchase date.



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### ***OPERATOR PROCUREMENT PROCESS***

- Town contract with Waste Options expires on November 30, 2025
- Town prepared a detailed RFP for services to start December 1, 2025.
- **Town drafted the RFP Scope of Services, Service Fee and WSA**
- RFP process
  - ✓ June 23, 2024. RFP issued. There were 32 downloads from Open.Gov.
  - ✓ July 30, 2024. Pre-bid conference attended by 7 potential proposers.
  - ✓ Sept. 26, 2024. One proposal received – from Waste Options Nantucket
  - ✓ Fall 2024. Detailed evaluation of Technical and Price Proposals.
  - ✓ Jan 29, 2025. **Select Board voted to award the WSA to Waste Options, subject to successful negotiation of the WSA and APSA.**



## How have the business terms changed?

	Existing contract	New WSA
Scope of Services	Generalized contract provisions with <u>no detailed scope of services.</u>	Detailed descriptions are <u>explicit</u> for 8 defined service areas
Service Fees	Fixed fees, per-unit fees, pass-through costs, revenue sharing <u>were not matched with services provided.</u>	Fixed fees, per-unit fees, pass-through costs, revenue sharing will be <u>matched to services .</u>



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## How have the business terms changed?

	Existing contract	New WSA
Ownership	Waste Options owned Composting Facility and Transfer Station	<u>Town will own all facilities on Site</u>
Control	<ul style="list-style-type: none"><li>• Waste Options set tip fees for C&amp;D waste and shared revenue</li><li>• Waste Options chose mainland facilities</li><li>• Waste Options managed permitting and engineering</li></ul>	<ul style="list-style-type: none"><li>• Town will <u>set all tip fees and keep all tip fee revenue</u></li><li>• Town will <u>choose facilities for waste delivery.</u></li><li>• Town will <u>manage engineering and permitting</u></li></ul>



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## How have the business terms changed?

	<b>Existing contract</b>	<b>New WSA</b>
Capital projects	Waste Options controlled capital projects at facilities it owned	Town will <u>control capital projects</u> at all facilities
Changes in use of facilities	Waste Options controlled use of facilities it owned	Town will <u>control modifications and upgrades</u> of existing facilities including future incorporation of new waste processing technologies



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***The WSA is structured to include **eight discrete service areas** for processing more than 25 different solid waste streams***

EIGHT SERVICE AREAS	SOLID WASTE STREAMS
Composting Facility O&M	Organics and misc. solid waste
Biosolids handling	Biosolids (sewage sludge)
Yard waste, brush and clean wood handling	Feedstocks for compost, mulch and soil products
Landfill and Site O&M	Hard-to-ship process residuals
MRF and Citizens' Drop-off O&M	Recyclables and drop-off items
Transfer Station O&M	C&D waste, NRNCs, shippable residuals
Hard-to-Manage Waste Handling	Scrap metal, tires, appliances, freon coils, screens, mattresses, etc.
Scale House Operations	



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### **Scope of Service Details**

Performance objectives

Operating tasks

Staffing Plans

Safety Plans

Equipment Plans

Supplies, Tools, Maintenance and Spare Parts

Outside Services

Subcontractors

Technical Professional Support

Software

Practices and Procedures

Communications and Reporting

Pass-through and reimbursed costs

### **Services to be performed by the Town**

Set tipping fees

Choose mainland facilities

Approve subcontractors

Oversee engineering and permitting

Perform capital project procurement

Control changes in facility use and new technology



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Service Areas	Fixed Fees	Variable Fees	Pass Through Costs	Revenue Sharing
Composting Facility O&M	✓	✓	Baseline Pass-throughs <ul style="list-style-type: none"> <li>• Off-island haul/tip fees</li> <li>• Capital projects</li> <li>• Major maintenance and replacement projects</li> </ul>	50-50
Biosolids Handling	✓	✓		50-50
Yard Waste, Brush and Clean Wood Handling	✓	✓		50-50
Landfill and Site O&M	✓	✓	Out-of-scope vehicle use	N/A
MRF and CDO O&M	✓	None	Baseline Pass-throughs	50-50
Transfer Station O&M	✓	✓	Baseline Pass-throughs	<b>Town</b>
Hard-to-Manage Waste handling	None	✓	Off-Island haul/tip fees	50-50
Scale House	✓	None	Overtime	N/A



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### **Other WSA Elements**

- Waste Options obligated to perform Services for Service Fees
- Initial term of 10 years. Town option to elect three 5-year extensions.
- Prevailing wage compliance
- Insurance and performance bonding requirements
- Schedule of liquidated damages for performance shortfalls
- Default and termination provisions
- Allowances for Uncontrollable Circumstances and Changes in Law



## Town has control to implement operational changes

- Change tip fees for incoming waste streams and to incentivize waste reduction.
- Utilize alternatives to the SSA commercial ferry
- Handle C&D waste, NRNCs and residuals separately
- Collect and manage food/organic wastes separately
- Reconfigure the Composter to reduce operating costs
- Change MEW management
- Process film plastics and other NRNCs on-site
- Implement commercially-proven emerging technologies



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# Questions?

