



CITY OF FAYETTEVILLE TRANSFER STATION SCENARIO ANALYSIS: TASK 1 & 2

Date: January 21st, 2025

Background and Scope of Work

Geosyntec Consultants was retained by the City of Fayetteville (City) to analyze potential ownership and operational scenarios and assess the best approach for the City's transfer station starting in late 2025 at contract milestone.

Per our scope of work in the proposal, the project was organized into two authorized tasks:

- Task 1, Background Review and Financial Model Development
- Task 2, Field Review and Additional Scenario Development
- At the end of August Geosyntec presented the findings to date, which included Analysis of Scenarios 1 through 3. Analyses were paused thereafter and attention shifted to IGSA, Fort Liberty RFP, and Transfer Station RFP efforts.



Scenarios Approach

- Review of available financial, operational, and contract information provided by the City.
- Organize anticipated cost of operations by major categories, allowing for modification of assumed operating costs for various components (e.g., loading operation, long-haul trucking).
- Transfer Station Cost Review of 4 scenarios assuming partial or full privatization of major components of operations and/or complete takeover by the City.

<i>Scenario 1 - Baseline/Status Quo</i>	Renewal of GFL contract with no changes, projecting future fees and costs.
<i>Scenario 2 - Status Quo, Except City Disposes at Transfer Station</i>	City disposes all waste at transfer station, adjusting fees and costs based on increased volume.
<i>Scenario 3 - Lease Agreement with Operator, City Disposes at Transfer Station</i>	City retains ownership, contractor operates facility, and City disposes all waste at a discounted tipping fee.
<i>Scenario 6 - City Operates the Transfer Station including hauling and disposal</i>	City retains ownership, operates facility, and City disposes all waste at one of the regional landfills.



Scenarios Comparison

	FY2026			
	Scenario 1	Scenario 2	Scenario 3	Scenario 6
Transfer Station Operations	Private Operator	Private Operator	Private Operator	City
Contract Type	Rent + Host fee (based on tonnages)	Rent + Host fee (based on tonnages)	All-in lease/rent (no host fee based on tonnages)	N/A
City Tipping Location	Ann Street Landfill	City TS	City TS	Regional Landfills
Disposal Location*	Ann Street Landfill	Sampson County Landfill	Sampson County Landfill	Sampson County Landfill
Tonnage Quantities**	195,047	195,047	195,047	100,000

*Disposal Location varies based on scenario as well as the contracted disposal location (sub-scenario) in Scenario 6.

**Tonnage quantities for scenarios 1, 2, and 3 are based on a 5-year average. The tonnage for scenario 6 will depend upon which sub-scenario is selected. The future Ann Street Landfill closure status and County transfer station permitted waste capacity may affect the availability of waste quantities from outside sources.



Scenarios Results

	Scenario 1	Scenario 2	Scenario 3	Scenario 6
<u>Expenses in MM USD</u>				
City Tipping Expenses	\$0.00	\$3.41	\$3.41	\$2.50
Operation + Hauling Expenses	\$0.00	\$0.00	\$0.00	\$1.36
Scenario Total Expenses	\$0.00	\$3.41	\$3.41	\$3.86
<u>Revenues in MM USD</u>				
Total Tip Income to City from TS Operation	\$0.31	\$0.66	\$0.62	\$0.80*
Avoided Disposal Cost at Ann St. Landfill	\$0.00	\$3.30	\$3.30	\$3.30
Total Revenues	\$0.31	\$3.96	\$3.92	\$4.10
<u>Net Position (Revenue-Expense) in MM USD</u>				
Scenario Net Position	\$0.31	\$0.55	\$0.51	\$0.24
Relative to Baseline	=	+	+	-

*Assumes outside waste



Key Findings and Recommendations



Scenario Modeling: Scenarios 2 and 3 indicate the highest net position. The City may need to issue an RFP to increase competitiveness and/or renegotiate better terms.



Cost Assumptions: Market pricing from an RFP may differ from previous analyses. Provides an opportunity to restructure the City fee sharing.



New Opportunities: Solicitations can lead to mutually beneficial arrangements. GFL may leverage its familiarity with the Transfer Station; it may also shift waste to County transfer.



Market Changes: An RFP can reveal new information or market synergies/risks. The waste management landscape is evolving, particularly in Cumberland County.



Updated Contract Arrangement: The new Agreement with GFL could include best practices like a fuel price escalator/de-escalator. Recommend pursuing a hybrid scenario “1A”.



Additional Info. - Scenario 6 Background

