

**State of Oregon
Department of Environmental Quality**

**Request for Information
OregonBuys #S-34000-00003033
Commingled Recycling Processing Facility Financial and Permitting Evaluation**

This is a Request for Information (RFI), issued by the State of Oregon, Department of Environmental Quality (DEQ) to solicit information related to studies planned for 2022 – 2023 that will evaluate current and potential future costs involved with processing commingled recyclables from Oregon.

DEQ will use responses to this RFI to inform its development of a Request for Proposals (RFP) that DEQ plans to publish in July 2022. Responses provided to this RFI will be used only for general information purposes and will not be considered binding on any party. Responses provided to this RFI will also not have any impact on DEQ's process of selecting a contractor in response to any RFP selection process.

BACKGROUND

In 2021, the Oregon Legislature adopted, and Governor Kate Brown signed into law, Senate Bill 582, also called the Plastic Pollution and Recycling Modernization Act (hereafter "RMA" or "Act"). The RMA is designed to optimize environmental benefits through significant reform and modernization of Oregon's recycling policy and systems.

The law requires DEQ to contract with an independent organization to conduct two studies, which must consider both current costs and anticipated costs under proposed new permitting requirements. Several elements of the RMA relate to facilities that process the commingled recyclables collected from Oregon households and businesses. Specifically, the new law requires the Environmental Quality Commission (EQC) to adopt two fees (Sections 24 and 25 of the Act, codified as ORS 459A.920 and ORS 459A.923) – a "Contamination Management Fee" and a "Processor Commodity Risk Fee" – both of which producer responsibility organizations (PROs) will pay to facilities that process commingled recyclables from Oregon. Both fees must be informed by studies of commingled recycling processing facilities and their operating costs.

DEQ will also contract with an independent organization to evaluate the feasibility and potential cost of different permit requirements that might be considered for inclusion in administrative rules. The new law requires the EQC to adopt administrative rules establishing new permitting requirements on facilities that process commingled recyclables collected from Oregon households and businesses (Section 37 of the Act, codified as ORS 459A.955). DEQ's contractor will also evaluate the feasibility and potential costs related to Section 38 of the RMA, codified as ORS 459A.956, which further requires DEQ to establish a program to certify commingled recycling processing facilities located in other states and which process commingled recyclables originating in Oregon. Such facilities will need to satisfy many of the same requirements of in-state permitted facilities. The evaluation of these potential permit compliance costs is also necessary in part because the Processor Commodity Risk Fee must be calculated on the basis of both current and anticipated future costs.

DEQ intends to contract with a single contractor to perform the studies and evaluation described above. The contractor selected for this work will work closely with DEQ and with commingled recycling processing facilities in Oregon and neighboring states to gather data on facility operations and costs, aggregate data to protect anonymity, and evaluate potential future costs for different scenarios. DEQ anticipates that the initial phase of this work will begin in the fall of 2022 and will continue through 2023 and possibly into early 2024. In developing an RFP for these studies and evaluations, DEQ invites information from contractors, commingled processing facilities, and others knowledgeable on the following topics.

QUESTIONS FOR CONTRACTORS

Please respond to any of the following questions:

- What additional information would be helpful to potential RFP respondents in providing a complete response to a RFP for the services described above?
- What type of company or individual background / experience / education would be most beneficial to this project?
- Provide an estimate of cost to complete the project.

QUESTIONS FOR COMMINGLED RECYCLING PROCESSING FACILITIES AND OTHER INTERESTED PARTIES

Please respond to any of the following questions:

- What information should DEQ seek from RFP respondents to fully and fairly evaluate proposals?
- What type of company or individual background / experience / education would be most beneficial to this project?
- ORS 459A.920 and ORS 459A.923 contain provisions protecting certain proprietary information from disclosure. However, such information may be disclosed as summarized or aggregated data if doing so “does not directly or indirectly disclose the proprietary information of any specific facility”.
 - Do you have specific ideas or concerns regarding the aggregation of data in order to meet these standards?
 - For example, is there facility-specific data that should not be disclosed in a non-aggregated form even if the name of the facility is made anonymous, e.g., “Facility A”?
 - Separately, if data from multiple commingled recycling processing facilities is aggregated prior to disclosure, is a business entity population of three a minimum acceptable population for allowing such aggregation?
- Some processing facilities handle a relatively small volume of the state’s commingled recyclables relative to others. DEQ proposes that the contractor be allowed to focus greater data gathering efforts on facilities that process larger volumes, and relatively smaller data gathering efforts on facilities that process smaller volumes. Do you support this approach?
- ORS 459A.923(2)(f) requires rules establishing the processor commodity risk fee to “ensure that materials handled by more than one commingled recycling processing facility are not double counted for purposes of calculating the fee.” At least three methods are available to meet this standard: a) fee is only paid on the first delivery of inbound materials (the first receiving processor receives compensation for all tons); b) fee is only paid on the basis of tons delivered to market (the last processor to process materials receives compensation on the basis of those tons); and c) fee is divided (allocated) across multiple processors based on transfers of materials between them.
 - Are there other options for meeting the standard of ORS 459A.923(2)(f)?
 - What do you see as the advantages and disadvantages of each method?
 - Do you have a preference? (If so, please explain.)
- DEQ proposes to convene a Technical Workgroup to advise DEQ and its contractor on the design and implementation of this research. Would your organization be interested in participating in such a Workgroup?
- Are there any other issues or concerns regarding this project that you would like to share with DEQ?

COMMUNICATIONS

DEQ will host a non-mandatory virtual meeting for commingled recycling processing facilities, interested consultants and other interested parties on Wednesday June 1, 2022 from 8:30 am – 10:30 am PDT (ending earlier if the full two hours is not needed). The registration link for this meeting is:

<https://us02web.zoom.us/meeting/register/tZwvceusrzMrGtdlDrsi-Rds9QF3kGYk3JvP>

After registering, you should receive a confirmation email containing information about joining the meeting. If you would like to submit questions in advance, please submit them via email to: david.allaway@deq.oregon.gov.

RFI RESPONSE

Please submit your response to this RFI no later than Friday June 17, 5:00 PM, PDT. Responses may be submitted to: david.allaway@deq.oregon.gov.