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Judge Affirms CRRA's Selection of Trash Plant Operator, Rejects MDC's Claims of Impropriety, Bias

Ruling Says MDC Was Behind Legislative Efforts to Change or Dissolve CRRA; 'Towns Will Be Well Served' by Firm Chosen to Run Hartford Trash-to-Energy Facility

HARTFORD, Conn. – A Superior Court judge has rejected claims that the <u>Connecticut Resources</u> <u>Recovery Authority</u> improperly chose a new contractor to run its trash-to-energy plant.

<u>The Metropolitan District</u>, which has run a portion of the <u>Mid-Connecticut Project trash-to-energy</u> <u>facility</u> since it began operation in 1988, <u>last November sued CRRA</u> over its <u>selection of NAES Corp.</u> to operate the plant beginning Dec. 31, 2011. MDC claimed CRRA was biased against MDC in the selection process and asked that the bidding be thrown out and restarted.

Judge Julia J. Aurigemma heard 10 days of testimony, reviewed over 200 exhibits, considered extensive legal briefs and rendered a 45-page decision upholding the award of the contract to NAES.

"The CRRA acted fairly and in a non-discriminatory manner with respect to all bidders in the process, including the MDC," Aurigemma wrote. "The MDC, on the other hand, went through the motions of participating in the procurement process while at the same time attempting to legislate the CRRA out of existence.

"The (CRRA) towns and general public will be well served by the operation of the entire Mid-Conn Facility by NAES, the most qualified bidder, who also submitted the lowest price."

"This is a victory for CRRA, but more importantly it's a victory for our ratepayers and the entire state," said Thomas D. Kirk, CRRA president. "Judge Aurigemma reassured our ratepayers that we're working to get them the best price for trash disposal. She also affirmed that our selection process was the way government contracting is supposed to work – casting a wide net for interested bidders, reviewing each proposal impartially and winding up with the most cost-effective use of tax dollars."

Last December, MDC sued CRRA alleging violations of the Connecticut Unfair Trade Practices Act, state statutes and <u>CRRA's own procurement policy</u>. It was the second time MDC sued CRRA over the selection process; after a hearing on the first action, filed last July, CRRA provided interested firms more time to respond to its request for bids and proposals.

"The MDC's sole purpose in filing the July, 2010 lawsuit was to disrupt the procurement process," Aurigemma wrote. "The bidders submitted their responses to the RFBP on September 9, 2010 . . . The MDC's bid was not one of a serious bidder."



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Meanwhile, Aurigemma heard evidence that MDC was behind legislative efforts to <u>take the trash-to-energy plant from CRRA</u>. "MDC's goal was clearly to obviate its need to present a bona fide bid to the CRRA by effecting legislation which would give control of the Mid-Conn Facility to the MDC and remove CRRA completely from any involvement in the facility," Aurigemma wrote.

While not part of the lawsuit, Aurigemma's ruling also rebuts claims made by the union representing MDC employees (and MDC itself) that CRRA had chosen the new contractor in secret and ignored what the union felt was MDC's record of success in operating the plant:

- "CRRA, indeed, had abundant cause to be unhappy with the MDC's operation of the WPF. The MDC was not willing or able to help find solutions to make the facility operate more efficiently."
- "The MDC claims that CRRA engaged in impermissible negotiation with NAES, the successful bidder. The court does not find that there was any evidence that negotiation took place."

Aurigemma also upheld CRRA's contention that using one contractor to operate both sections of the trash-to-energy plant, rather than two contractors as has been the case since 1988, will save money. MDC operates the section where trash is processed into fuel, while Covanta Energy operates the section where that fuel is used to generate electricity.

"The fact that there are currently two operators of the Mid-Conn Facility results in increased costs to operate and maintain the Mid-Conn Facility," she wrote. "A single operator for the entire Mid-Conn Facility would save costs in maintenance and labor."

Aurigemma also rejected MDC's claim that CRRA held an anti-MDC bias and that bias prevented MDC from getting a fair chance to win the new contract.

"The word 'bias' connotes a negative impression that is unfounded. The CRRA's evaluation of MDC was based on its experience with MDC," she wrote. "Given the CRRA's well founded concerns about the MDC's operation of the WPF, it showed a remarkable amount of professionalism towards MDC during the whole process."



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"I hope MDC's leadership and the leaders of its towns will read this ruling closely and then re-examine their tactics," said Michael A. Pace, CRRA chairman. "MDC should take to heart Judge Aurigemma's observation that the public will be well served by MDC's providing sincere and meaningful cooperation during the transition to NAES."

The full decision can be read online at http://www.crra.org/pages/pub_rec_communications.htm.

The Connecticut Resources Recovery Authority is a quasi-public agency whose mission is to work for – and in – the best interests of the municipalities of the state of Connecticut. CRRA's <u>board of directors</u> and <u>management team</u> develop and implement environmentally sound solutions and best practices for solid waste disposal and recycling management on behalf of municipalities. CRRA serves 93 Connecticut cities and towns. CRRA also runs <u>award-winning sustainability education</u> programs through the <u>CRRA Trash Museum</u> in Hartford and <u>CRRA Garbage Museum</u> in Stratford. For more information about CRRA and its activities, visit http://www.crra.org. Computer users can also discuss CRRA on its blog, http://crra-blog.blogspot.com.