

# City of Greensboro Recycling Program Update



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# The Global Recycling Problem

## ❑ China Sword

- China has banned several types of recyclables (January, 2018)
- Historically, the largest buyer of recyclables (50% of global market)

## ❑ Too much supply

- Prices of commodities were driven down throughout 2018
- Mix Glass Value = - **\$22.50 per ton** (January, 2019)
- Mix Paper Value = **\$ 2.50 per ton** (January, 2019)

## ❑ Single Stream Composition Changes

- Lighter materials (water bottles and aluminum cans) driving up the processing cost per ton
- Less newspapers due to electronic media
- Higher quality demands driving up processing costs

# Recycling in Greensboro

- Greensboro began its single-stream recycling program in 1993
- The Material Recovery Facility (MRF), located on Patton Avenue in Greensboro, is operated by Republic Services
- Under current contract, Republic receives, sorts, bales and sells Greensboro's recyclables
- Under current contract, Greensboro **receives** \$15 per ton for its recyclables (about \$375K in revenue/year)
- This contract expires on June 30, 2020
- Due to current recyclables market, Greensboro will **pay** a per ton processing fee of \$75 - \$90 after June 30, 2020

# Recycling in Greensboro

- RESIDENTIAL recycling yields about 17,000 tons of recyclables (\$255,000 in revenue)
- RESIDENTIAL recycling costs for collection is about \$2.5 Million annually, or \$150 per ton
- Fee-based COMMERCIAL recycling yields about 8,000 tons of recyclables (\$120,000 in revenue)
- COMMERCIAL recycling costs for collection is about \$670K annually, or \$85 per ton
- What if processing fees increase to \$90/ton?

# Processing Fee Impacts

	PROCESSING FEE PER TON	COST FOR 25,000 TONS	BUDGET INCREASE
NOW	RECEIVE \$15	RECEIVE \$375,000	\$0
	\$0	\$0	\$375,000
	PAY \$15	\$375,000	\$750,000
	PAY \$30	\$750,000	\$1,125,000
MSW	PAY \$45	\$1,125,000	\$1,500,000
	PAY \$60	\$1,500,000	\$1,875,000
	PAY \$75	\$1,875,000	\$2,250,000
	PAY \$90	\$2,250,000	\$2,625,000

# Contract Agreement Options

- ❑ **Complete current contract through June 30, 2020**
  - RFP process will begin mid-late 2019
  - Will result in significant processing fee effective July 1, 2020
  - Potential for out of town MRF (additional resources required)
  - Would receive about \$500,000 in revenue (through June, 2020)
  
- ❑ **Negotiate with current recycling contractor, Republic Services**
  - Extend existing agreement with negotiated processing payment
  - Will create an incremental plan to pay for processing while also sharing revenue
  - Secure local, improved MRF (Patton Avenue)
  - Ensure long-term (10 year?) recycling program