

Recycling Contract Amendment



May 21, 2019

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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

RFP or Amendment?

CURRENT CONTRACT & RFP	TIME FRAME	PROPOSED AMENDMENT
(\$15)(6,000 TONS) = (\$ 90,000)	APRIL 1-JUNE 30, 2019	(\$0/TON)(6,000 TONS) = \$0
(\$15)(25,000 TONS) = (\$375,000)	JULY 1, 2019-JUNE 30, 2020	(\$30/TON)(25,000 TONS) = \$750,000
(\$125/TON)(25,000 TONS) = \$3,125,000	JULY 1, 2020-JUNE 30, 2021	(\$60/TON)(25,000 TONS) = \$1,500,000
(\$125/TON)(25,000 TONS) = \$3,125,000	JULY 1, 2021-JUNE 30, 2022	(\$90/TON)(25,000 TONS) = \$2,250,000
(\$125/TON)(25,000 TONS) = \$3,125,000	JULY 1, 2022-JUNE 30, 2023	(\$90/TON)(25,000 TONS) = \$2,250,000
(\$125/TON)(25,000 TONS) = \$3,125,000	JULY 1, 2023-JUNE 30, 2024	(\$90/TON)(25,000 TONS) = \$2,250,000
(\$125/TON)(25,000 TONS) = \$3,125,000	JULY 1, 2024-JUNE 30, 2025	(\$90/TON)(25,000 TONS) = \$2,250,000
TOTAL = \$15,160,000 (\$97.18 per ton)		*TOTAL = \$11,250,000 (\$72.11 per ton)

Proposed Contract Amendment

- Extends contract through June 30, 2025
- Modifies processing fee with revenue share
- Revises list of accepted recyclables
- Modernizes local recycling facility with new sorting equipment

Modified Processing Fee

- No further revenue effective immediately
- Effective July 1, 2019: \$30 per ton fee
- Effective July 1, 2020: \$60 per ton fee with revenue share (over \$125 per ton costs)
- Effective July 1, 2021: \$90 per ton fee with revenue share (over \$125 per ton costs)
- \$90 per ton fee with revenue share through June 30, 2025

Current Accepted Recyclables

- Newsprint (ONP): Old newspaper
- Mixed Paper: all grades of paper and paperboard
- Office and Computer Paper
- Corrugated Containers (OCC): cardboard containers with ruffled liners
- Bottle Glass
- Aluminum and Steel Cans
- Plastic Containers: PET, HDPE, LDPE, PP, PS, Resin Codes #1-7
- Bulky Rigid Plastics
- Polycoated and Aseptic Containers
- Pots and Pans

Revised Accepted Recyclables

- Newsprint (ONP): Old newspaper
- Mixed Paper: all grades of paper and paperboard
- Office and Computer Paper
- Corrugated Containers (OCC): cardboard containers with ruffled liners
- ~~➤ **Bottle Glass**~~
- Aluminum and Steel Cans
- Plastic Containers: PET, HDPE, LDPE, PP, PS, Resin Codes #1-7
- ~~➤ **Bulky Rigid Plastics**~~
- ~~➤ **Polycoated and Aseptic Containers**~~
- ~~➤ **Pots and Pans**~~

Modernized Recycling Facility

- Material Recovery Facility (MRF) in the City of Greensboro
- Amendment includes a \$4.5 million capital investment in Year 2 on existing facility
- Increased sorting efficiency and material processing volume

Landfill Option

CURRENT CONTRACT & LANDFILL	TIME FRAME	PROPOSED AMMENDMENT
(\$15)(6,000 TONS) = (\$ 90,000)	APRIL 1-JUNE 30, 2019	(\$0/TON)(6,000 TONS) = \$0
(\$15)(25,000 TONS) = (\$375,000)	JULY 1, 2019-JUNE 30, 2020	(\$30/TON)(25,000 TONS) = \$750,000
(\$45/TON)(25,000 TONS) = \$1,125,000	JULY 1, 2020-JUNE 30, 2021	(\$60/TON)(25,000 TONS) = \$1,500,000
(\$45/TON)(25,000 TONS) = \$1,125,000	JULY 1, 2021-JUNE 30, 2022	(\$90/TON)(25,000 TONS) = \$2,250,000
(\$45/TON)(25,000 TONS) = \$1,125,000	JULY 1, 2022-JUNE 30, 2023	(\$90/TON)(25,000 TONS) = \$2,250,000
(\$45/TON)(25,000 TONS) = \$1,125,000	JULY 1, 2023-JUNE 30, 2024	(\$90/TON)(25,000 TONS) = \$2,250,000
(\$45/TON)(25,000 TONS) = \$1,125,000	JULY 1, 2024-JUNE 30, 2025	(\$90/TON)(25,000 TONS) = \$2,250,000
TOTAL =\$5,160,000 (\$33.08 per ton)		*TOTAL = \$11,250,000 (\$72.11 per ton)

Next Steps

With Council approval, staff will prepare the following:

- Public outreach and communication campaign to begin in June, 2019
- Glass recycling alternative for citizens to begin July 1, 2019
- Fee Increase for Recycling Dumpster Collection program effective July 1, 2019
- Independent recycling composition audit