



AGENDA MEMORANDUM

Future Item for the City Council Meeting of February 21, 2017
Action Item for the City Council Meeting of February 28, 2017

DATE: February 9, 2017
TO: Margie C. Rose, City Manager
FROM: Lawrence Mikolajczyk, Director of Solid Waste Operations
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(361) 826-1972

Establish waste acceptance contract with Mark Dunning Industries, Inc.

CAPTION:

Motion authorizing the City Manager or designee to execute an 11-year contract with Mark Dunning Industries, Inc., guaranteeing the delivery of specific tonnage of acceptable waste collected within the boundaries of the Coastal Bend Council of Governments' region to the City's Cefe Valenzuela Municipal Landfill, and ratifying the start date of the contract to be November 12, 2016.

PURPOSE

The agreement assures that the Mark Dunning Industries will dispose of 80% of waste collected from inside the City limits at the Cefe Valenzuela Landfill, with a minimum of 3,600 tons per year. Mark Dunning Industries will receive a 25% discount off of the published disposal fee. If the minimum of 3,600 tons is exceeded by 33% (1,188 tons), then an additional 15% discount will be applied on disposal fees for waste in excess of 4,788 tons in each contract year. The agreement will have an effective date of November 12, 2016, and will end November 12, 2027, to align with the termination dates of similar active contacts with Corpus Christi Disposal, Dawson Recycling, Captain Hook, BFI, Coastal Trailer Trash, Absolute Waste Acquisitions, Killian Calderon Disposal, and the Bag Lady.

BACKGROUND AND FINDINGS:

The efficient operation of the Cefe Valenzuela Landfill is dependent upon consistent volumes of solid waste. Competition from area landfills increases the importance to be competitive in price and service.

The City has previously entered into "put or pay" disposal agreements with local commercial waste haulers, as well as Aransas County, offering discounts from the published disposal rate of 25% if the hauler agrees to deliver 80% of their waste to the City and 28% if the hauler agrees to deliver 100% of their waste to the City.

Both Mark Dunning Industries and the City of Corpus Christi will realize cost and efficiency benefits through the execution of this agreement. Mark Dunning, the President of Mark Dunning Industries, has approved the execution of this agreement.

CONFORMITY TO CITY POLICY:

This agreement is consistent with the terms offered to other major waste haulers agreement and does not conflict with City policy.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

City Attorney.

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget			
Encumbered / Expended Amount			
This item	\$84,136	\$961,560	\$1,045,696
BALANCE	\$84,136	\$961,560	\$1,045,696

Fund(s): General Fund

Comments: The revenue stated above assumes 10.5 months of disposal activity at the discounted rate of \$26.71 per ton in FY 2017, and 10 future years' revenue at the same discounted rate.

RECOMMENDATION:

Staff recommends the approval of this contract.

LIST OF SUPPORTING DOCUMENTS:

Contract
Exhibit A – Site Operating Plan