



Solid Waste Services

Recycling Services Contract Amendment



July 27, 2021



Recycling Services Contract Amendment



BACKGROUND AND FINDINGS:

Following a Request for Proposal (RFP) process, the City Council approved the recycling services agreement with the Contractor on January 21, 2021, with the effective date of February 1, 2021. Republic Services was the only firm to submit a proposal for recycling services.

In April 2021, the Contractor submitted a request for an amendment to the contract. City staff agreed to renegotiate the contract terms to help assure that the City is able to offer recycling services at the lowest possible cost.



Recycling Services Contract Amendment



RECYCLING CONTRACT AMENDMENT COMPARISON

	Current	Amended
Processing Fee (per ton)	\$126.00/ton	\$126.00/ton
Revenue Share	Net Revenue*	Gross Revenue*
Revenue Share Percent *	100 then 50/50	55/45
Processing Fees	\$1,700,000	\$1,700,000
Potential Revenue Share**	\$861,059	\$473,581
Expense to City	\$826,058	\$1,213,535

*Revenue Share is 100% until Processing Fees are offset, then 50%

**Based on average of last 3 years

Summary: City payment (Revenue Share + Processing Fee) to recycling contract increases by \$387,477 or 13%

*Note: Net Revenue = Revenue received after processing fee
Gross Revenue = Revenue received before processing fee



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1. Change the City's receipt of 100% of the revenue generated from materials sold (up to the amount of the processing fee) to the City's receipt of 55% of the revenue generated from materials sold and the Contractor's receipt of 45% of the revenue generated from materials sold.	- \$387,477
2. Require Contractor to provide hauling service in support of 12 monthly Litter Critter events.	+\$60,000
3. Increase Contractor's monetary contribution to the City recycling education program from \$1.00 of materials delivered (\$14,000 annually) to \$2.00 per ton of materials delivered (\$28,000 annually).	+\$14,000
4. Require Contractor to provide in-kind services not to exceed \$150,000 in support of the City's recycling education program.	+\$150,000
5. Extend the processing facility's Monday through Friday operating hours from 8:00 a.m. - 5:00 p.m. to 8:00 a.m. - 7:00 p.m.	<u>\$0</u>
TOTAL FISCAL IMPACT	\$163,477



Recommendation



Staff recommends approval of the proposed amendment.