



Agenda Item:

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## **COUNCIL COMMUNICATION**

### **City Manager's Office**

Agenda Date: 10/24/05  
Agenda Item Type: Resolution

Communication No.: 05-583  
Roll Call No:

Submitted by: William G. Stowe, Assistant City Manager/Public Works/Engineering

#### **SUBJECT—**

Renewal of Recyclables Processing Agreement for a Term of Three Years and Adjustment of Prices Paid for Recyclables to the City by MidAmerica Recycling, Michael J. Barry, Vice President, 2742 E. Market St., 50317.

#### **SYNOPSIS—**

On November 18, 2002, by Roll Call No. 02-2710, the City Council authorized the City Manager to negotiate and sign a contract with MidAmerica Recycling for the processing of Des Moines recyclables collected at the curb. The City's agreement with MidAmerica Recycling allowed for two three-year renewal options. MidAmerica desires to exercise the renewal option and staff concurs. Staff has also negotiated new pricing that will result in an approximate \$16,000 increase in revenues for FY06 based on a projected total tonnage of 6,750.

#### **FISCAL IMPACT—**

Estimated FY06 revenue to be in excess of \$300,000 for the Solid Waste Enterprise Fund.

#### **RECOMMENDATION—**

Approval

#### **BACKGROUND—**

On September 23, 2002, by Roll Call No. 02-2332, the City Council authorized issuance of an RFP for an exclusive recycler to receive, process, and market recyclable materials collected at the curb by the Public Works Department. On November 18, 2002, Council accepted an RFP submitted by MidAmerica Recycling, and authorized the City Manager to negotiate and sign a contract. On

December 17, 2002, the City Manager approved a contract with MidAmerica Recycling, resulting in the City of Des Moines' first time ever revenues for recyclables in the amount of \$150,364 for year one of the contract.

Terms of the contract provide for annual renegotiation of the prices paid for recyclables. The Public Works Department has negotiated a decrease in processing fees, and an increase in the prices paid for selected materials as follows:

The newspaper and mixed-paper processing fee will decrease from \$27.00 to \$26.50/ton.

The new pricing will be based on official board markets (yellow sheet) at the high end of the Chicago market.

Steel will remain at \$65/ton.

Plastics will increase to \$100/ton from the current \$70/ton.

Glass will increase to \$40/ton from the current \$35/ton.

In addition, the floor prices will increase as follows:

Newspaper: \$30/ton from \$15/ton.

Mixed paper: \$10/ton from \$5/ton.

Steel: \$20/ton from \$5/ton.

Plastics: \$55/ton from \$20/ton.

Glass: \$35/ton from \$25/ton.

Based on the projected tonnage for FY2006, the City may expect to receive an estimated additional \$16,000 in revenue for its recyclables.