



Council Communication

Office of the City Manager

Date

December 4, 2006

Agenda Item No. 36

Roll Call No. 06-

Communication No. 06-765

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

AGENDA HEADING:

Adjustment of Prices Paid to the City for Recyclables by MidAmerica Recycling.

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 (Michael J. Barry, Vice President, 2742 E. Market St., Des Moines, IA, 50317) 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 City staff concurs. Staff has negotiated new pricing that will result in an approximate \$4,500 increase in City revenues for FY07 based on a projected total tonnage of 6,750.

FISCAL IMPACT:

Amount: Estimated FY07 revenue to be in excess of \$300,000.

Funding Source: 2006-2007 Operating Budget, Fund EN151, Org PWK100101, Solid Waste Enterprise Fund, page 257.

ADDITIONAL INFORMATION:

On September 23, 2002, by Roll Call No. 02-2332, the City Council authorized the 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, by Roll call No. 02-2710, the City 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. This action resulted in \$150,364 in City revenues for recyclables in year one of the contract – the first time the City ever received revenues for recyclables.

The terms of the contract provide for the annual renegotiation of the prices paid to the City for recyclables. The Public Works Department has negotiated a decrease in processing fees as well as an increase in the prices paid to the City for selected materials:

- The newspaper and mixed-paper processing fee paid by the City will decrease from \$26.50/ton to \$26/ton.
- The new pricing will be based on official board markets (yellow sheet) at the high end of the Chicago market.
- The price paid to the City for steel will increase from \$65/ton to \$75/ton.

- The price paid to the City for plastic will increase from \$100/ton to \$175/ton.
- The price paid to the City for glass will remain at \$40/ton.

In addition, the floor prices paid to the City will remain the same:

- Newspaper: \$30/ton.
- Mixed paper: \$10/ton.
- Steel: \$20/ton.
- Plastics: \$55/ton.
- Glass: \$35/ton.

Based on the projected tonnage for FY 2007, the City may expect to receive an estimated additional \$4,500 in revenue for its recyclables.

PREVIOUS COUNCIL ACTION(S):

Date: October 24, 2005

Roll Call Number: 05-2564

Action: Renewal Addendum and Amendment to contract with Mid America Recycling, Inc. for negotiation of rates and term on recycling processing services for the Public Works Department. ([Council Communication No. 05-583](#)) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: November 18, 2002

Roll Call Number: 02-2710

Action: Negotiation of a contract with Weyerhaeuser Company for the receipt, processing and marketing of Des Moines recyclables. ([Council Communication No. 02-601](#)). Moved by Brooks to amend and accept the RFP submitted by Mid-America Recycling and authorize the City Manager to negotiate and sign a contract with Mid-America Recycling in accordance with terms and conditions of the RFP. Motion Carried 6-0. Council Member Coleman declares a conflict of interest and abstains from voting.

Date: September 23, 2002

Roll Call Number: 02-2332

Action: Recyclables Processing. ([Council Communication No. 02-503](#)). Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE