



Council Communication

Office of the City Manager

Date	December 3, 2007
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Agenda Item No.	24
Roll Call No.	<u>07-</u>
Communication No.	<u>07-714</u>
Submitted by: William G. Stowe, Assistant City Manager/Public Works/Engineering	

AGENDA HEADING:

Approval of Amendment to Recyclables Processing Services Contract with Mid America Recycling, Inc. for New Per Ton Recyclable Material Prices Payable to the City.

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 with annual price negotiations. This year, staff has negotiated increased pricing for collected steel, glass, and office paper.

FISCAL IMPACT:

Amount: Estimated FY08 revenue to be in excess of \$400,000.

Funding Source: 2007-2008 Operating Budget, Fund EN151, Org PWK100101, Solid Waste Enterprise Fund, page 303.

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 City's contract with MidAmerica Recycling provide for the annual renegotiation of the prices paid for recyclables. The Public Works Department has negotiated prices for selected materials as follows:

- The price for newspaper will remain the "Yellow Sheets - High Side of the Chicago Market for #8 Newspaper" less a \$26 per ton processing fee.
- The price for mixed paper will remain the "Yellow Sheets - High Side of the Chicago Market for #1 Mixed Paper" less a \$26 per ton processing fee.

- The price of OCC (card board) will move to the “Yellow Sheets - High Side of the Chicago Market for OCC #11” less a \$20 per ton processing fee.
- The price paid to the City for steel will increase from from \$75/ton to \$95/ton.
- The price paid to the City for glass will increase from \$40/ton to \$45/ton.
- The price paid to the City for office paper will increase from \$85/ton to \$100/ton.
- The price paid to the City for plastic will remain at \$175/ton.

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

- newspaper: \$30 per ton.
- mixed paper: \$10 per ton.
- steel: \$20 per ton.
- plastics: \$55 per ton.
- glass: \$35 per ton.

PREVIOUS COUNCIL ACTION(S):

Date: December 4, 2006

Roll Call Number: 06-2387

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. 06-765](#)) Moved by Coleman to adopt; refer to the City Manager to look for ways the City can promote recycling. Motion Carried 6-0.

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: 06-2332

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