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|  <p style="text-align: center;"><b>Council</b><br/><b>Communication</b><br/>Office of the City Manager</p> | <b>Date:</b> May 18, 2015  |
|   | <b>Agenda Item No.</b> 39<br><b>Roll Call No.</b> <u>15-828</u><br><b>Communication No.</b> <u>15-270</u><br><b>Submitted by:</b> Jonathan A. Gano,<br>Public Works Director |

**AGENDA HEADING:**

Approving assignment of contract for single-stream recyclables processing services with GreenStar Mid-America Recycling, LLC F/K/A Mid-America Recycling, LLC to Mid-America Recycling, LLC.

**SYNOPSIS:**

Recommend Council approval of assignment of contract between the GreenStar Mid-America Recycling, LLC to Mid-America Recycling, LLC and authorizing the City Manager to negotiate and execute assignment agreement and amendment to the processing contract to Mid-America Recycling, LLC so they may move forward with the acquisition of the Recycling Processing Center located at 2742 E. Market Street, Des Moines, Iowa.

**FISCAL IMPACT:**

Amount: \$60,000.00

Funding Source: E151; PW250432-Curbside Recycling, Solid Waste Operations Fund page 228

**ADDITIONAL INFORMATION:**

The Public Works Department provides a number of services including the curbside collection and processing of recyclable materials. The Public Works Department entered into a processing contract with Mid-America Recycling, LLC under roll call 08-1271 dated July 14, 2008. The contract allowed for an initial seven (7) year period beginning December 6, 2008 and ending December 31, 2015, with up to two (2) additional five (5) year renewals at the City’s discretion.

In 2009 Mid-America Recycling, LLC changed its name to GreenStar Mid-America Recycling, LLC.

On March 23, 2015 the Public Works Director met with Mr. Mick Barry, Vice President of Mid-America Recycling, LLC in regards to the contract and Mr. Barry’s intent to acquire the Processing Center from GreenStar Mid-America Recycling, LLC. Mr. Barry indicated he had met with representatives from Metro Waste Authority (MWA) in regards to MWA’s consideration of contract addendums which were critical in his ability to acquire the facility and that it was also critical for Des Moines to give the same considerations. Mr. Barry proposed two (2) options for consideration:

Option A:

- The contract interpretation of Section E and Exhibit A is that all tons of Acceptable Recycling Materials that are delivered across the scale by the City of Des Moines collection trucks be charged the processing fee.
- The Processing Fee to be adjusted to \$46 per ton from the original \$40 per ton. (15% increase compared to 18.75% increase in landfill tipping fees)
- Recyclables Revenue Sharing Formula and worksheet – Exhibit A will remain the pricing for sold commodities.
- An annual review of the market trends and costs for the operation of the facility will be reviewed by City staff and the Mid-America Recycling, LLC staff and mutually agreed upon adjustments will be made.

Option B:

- Using the process currently being followed by GreenStar Mid-America Recycling, LLC where only sold tons are being charged the processing fee as shown in Exhibit A, Mid-America Recycling, LLC is willing to continue this process but would require the service to be adjusted to \$52 per ton.
- Recyclable Revenue Sharing Formula and Worksheet – Exhibit A will remain the pricing for sold commodities.
- An annual review of the market trends and costs for the operation of the facility will be reviewed by City staff and Mid-America Recycling, LLC staff and mutually agreed upon adjustments will be made.

The Public Works Director recommends authorizing the City Manager to negotiate toward the execution of a mutually acceptable amended Agreement (“Amended Agreement”) to be executed in connection with, or within 30 days of, the Acquisition.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 14, 2008

Roll Call Number: [08-1271](#)

Action: [Single-Stream Recyclables Processing Contract with Mid-America Recycling, LLC. \(Council Communication No. 08-413\)](#). Moved by Kiernan to adopt. Motion Carried 6-1. Nays: Coleman.

**BOARD/COMMISSION ACTION(S): NONE****ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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