



Request for City Council Committee Action From the Department of Public Works

Date: January 17, 2012

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral to: Honorable Betsy Hodges, Chair, Ways and Means Committee

Subject: **Contract Renewal with Hennepin County for Waste Disposal Services**

Recommendation:

Authorize proper city officers to negotiate and execute a contract with Hennepin County for processing and disposal of municipal solid wastes collected in Minneapolis.

Previous Directives:

- February 2010, authorize fifth Amendment to the Solid Waste Agreement, to be effective thru December 31, 2011. February 2010 to December 31, 2010 at \$43 per ton and January 1, 2011 to December 31, 2011 at \$45 per ton.
- September, 2008, authorized fourth Amendment to the Solid Waste Agreement, to be effective through March 31, 2010. \$38 per ton from April 1, 2008 to March 31, 2009. \$40 per ton from April 1, 2009 to March 31, 2010.
- May, 2007, authorized third Amendment to the Solid Waste Agreement, to be effective through March 31, 2008 at \$36 per ton.
- June, 2006, authorized second Amendment to the Solid Waste Agreement, to be effective through March 31, 2007 at \$39 per ton.
- October, 2005, authorize first Amendment to the Solid Waste Agreement, to be effective through June 30, 2006 at \$39 per ton.
- December, 2001, authorize Solid Waste Agreement A12870 to deliver, and to direct contracted collector to deliver, solid wastes to the Hennepin Energy Resource company (HERC) through December, 2005 at \$39 per ton.

Prepared by: Jeff Jenks, Interim Director, Solid Waste and Recycling

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Jeff Jenks, Interim Director, Solid Waste and Recycling

Reviews:

Permanent Review Committee (PRC):	Approval NA	Date _____
Civil Right Affirmative Action Plan	Approval NA	Date _____
Policy Review Group (PRG):	Approval NA	Date _____

Financial Impact

Action is within current department budget.

Background/Supporting Information:

The Division of Solid Waste & Recycling Services provides garbage, recycling, yard wastes, large item/problem materials, (metals) and electronics collections services for approximately 104,000 dwelling units in Minneapolis. All 1-4 dwelling unit residential properties in Minneapolis are required to have City services. Collection is provided by City employees to one half of the dwelling units, and by a contractor, Minneapolis Refuse, Inc., to one half of the dwelling units. Solid Waste & Recycling Services directs the delivery of all collection services to city or city-contracted processing and/or disposal facilities. The City contracts with Hennepin County to dispose of solid wastes at the Hennepin Energy Recovery Facility (HERC) in downtown Minneapolis. The City is currently paying a tipping fee of \$45/ton.

Hennepin County has indicated an interest in renewing this contract for a period of two years. The new contract would set and hold the tipping fee at H.E.R.C. for two years at \$ 47.00/ton. The tipping fee increase is due to normal operation costs incurred by HERC. The City, as in previous contracts, would pay no more per ton than any other entity for disposing of wastes at HERC.

The increase in tipping fee will result in an approximately \$200,000 increase per year in our HERC expense.