

## Request for Committee Action

**To:** Transportation & Public Works  
**Date:** 2/2/2016  
**Referral:** Ways & Means  
**From:** Public Works Department  
**Prepared by:** David A. Herberholz, Director Solid Waste and Recycling  
**Presented by:** David A. Herberholz, Director Solid Waste and Recycling  
**File type:** Action  
**Subcategory:** Contracts & Agreements

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**Subject:**

Agreement for Processing and Marketing of Commingled Recyclables

**Description:**

Authorizing proper City officials to negotiate and execute a contract with Eureka Recycling for the processing and marketing of commingled recyclables for a period of five (5) years for 100% of the City's recyclable volume.

**Previous Actions:**

August 21, 2015: Authorize the appropriate City Officials to issue a Request for Proposal for the processing and marketing of commingled recyclables from one-sort recycling collection.

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**Ward/Neighborhood/Address:**

All Wards

**Background/Analysis:**

On September 28, 2015, the City of Minneapolis, Department of Public Works issued a Request for Proposal (RFP) for Processing and Marketing of Commingled Recyclables. Submittals were received on December 4, 2015 from Waste Management of Minnesota, Inc. (WMI) and Eureka Recycling. A panel comprised of staff from the City of Minneapolis, Department of Public Works, Department of Finance, Burns and McDonnell Consulting Firm, and Hennepin County was assembled to score the submittals based on the following criteria:

- A. Quality, thoroughness, and clarity of proposal
- B. Qualifications and experience of staff (includes a review of references)
- C. Organization and management approach and involvement for a successful project.
- D. How well the Scope of Services offered meets department objectives including:
  - Types of recyclable materials accepted
  - Cost of services proposed
  - Low residuals from processing
  - High value output commodities and end-uses
  - Revenue sharing package for marketable commodities recycled
  - Composition Analyses Protocol
- E. Financial responsibility and capacity of company including whether or not the company, any affiliates, subsidiaries, officers or directors have filed for federal bankruptcy protection within seven years of the date of this RFP
- F. Small & Underutilized Business participation

WMI and Eureka Recycling submitted competitive proposals. Both exhibited high professionalism during the entire selection process, including the post-proposal interview, and facility tour.

Both proposers have time-tested, successful recycling processing and marketing operations, with established facilities within Minneapolis and have been operating here for more than a decade. Each facility has the ability to properly process Minneapolis recycling volumes. Access, and distance to each facility for City and contractor collection vehicles is principally equal.

Both WMI and Eureka Recycling proposed an 80/20 revenue sharing package. However, Eureka Recycling was the only proposer to agree to the use of nationally recognized 3<sup>rd</sup> party indices for the purpose of determining commodity values used in calculating the revenue to be shared. Eureka Recycling offered the lowest per ton processing fee, and was also the only proposer to offer to waive their portion of the recycling revenue when the total per-ton value falls below the per-ton processing fee.

After careful consideration, Eureka Recycling has been selected as our preferred proposer.

**Financial Review:**

**No additional appropriation required, amount included in current budget.**

- Future budget impact anticipated.**
- Approved by the Permanent Review Committee.**
- Meets Small and Underutilized Business Program goals.**