



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

Date: January 18, 2011

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

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

Subject: **Extension of Recyclables Processing and Marketing Contract with Allied Recycling**

Recommendation:

Authorize proper city officers to enter into a contract extension with Allied Recycling Services, through June 30, 2012 under the terms presented in the staff report.

Previous Directives:

- August, 2009, Direction to extend contract with Allied Recycling Services for two year period
- May, 2004, Direction to enter into contract with BFI Systems (predecessor to Allied) for Recyclables Processing and Marketing

Prepared by: Susan Young, Solid Waste and Recycling Services, 673-2433

Approved by:

Steven A. Kotke, PE, City Engineer, Director of Public Works

Presenters: Susan Young, Solid Waste and Recycling Services

Reviews	Permanent Review Committee (PRC)	NA
	Civil Rights	NA
	Policy Review Group	NA

Financial Impact

Financial resources are contained within the Solid Waste & Recycling and Sewer Enterprise Funds.

Community Impact

Neighborhood Notification: NA
City Goals: NA.
Comprehensive Plan: Consistent
Zoning Code: Not Applicable

Background/Supporting Information

The City contract for processing and marketing of recyclables collected in the residential recycling program is nearing an end. Commodities markets, as other sectors of the economy, are seriously depressed and market forecasts project limited demands for recyclables in the near term. Until commodity prices stabilize or a reliable forecast of economic health returns, it is not in the City's best interests to issue an RFP to enter into a long-term recyclables processing and marketing contract at this time.

Staff has engaged in exploratory discussions with the current recyclables processing and marketing vendor, Allied Recycling Services. Significant changes were made to the contract in 2009 and Allied is agreeable to a renewal through June 30, 2012 of the present contract terms.

If the recommendation to extend the current contract is accepted, staff will continue to closely follow commodities prices and State and county regulatory efforts that may significantly affect our recycling programs. It is anticipated that issuance of a Request for Proposals will be requested of the Council in late 2011, depending on these conditions. A longer term contract that would reflect any significant program changes could also be negotiated at that time.