



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

Date: June 20, 2006
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Subject: Request to renew contract with Hennepin County for Disposal Services

Recommendation:

Staff recommends that the appropriate City officials be authorized to renegotiate and renew the contract with Hennepin County for processing and disposal of municipal solid wastes collected in Minneapolis.

Previous Directives:

September, 2005, contract renewed through June, 2006
Contract previously renewed November, 2000, for five-year period

Prepared by: Susan Young, Director of Solid Waste & Recycling 612-673-2433

Approved by:

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

Presenters: Susan Young, Director of Solid Waste & Recycling

Permanent Review Committee (PRC)	Approval _____	Not applicable <u> X </u>
Policy review Group (PRG)	Approval _____	Not applicable <u> X </u>

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Background/Supporting Information:

The City of Minneapolis has a contract with Hennepin County for the disposal of Municipal Solid Wastes (MSW) collected by the City and its contractors. That contract expires June 30, 2006. Hennepin County has indicated an interest in renewing this contract for a period to end March 31, 2007.

The new contract would set the tipping fee at H.E.R.C. at \$41.85 /ton, insure that the City will have continuous access to H.E.R.C., and insure that the City will not pay more than any other hauler to H.E.R.C. In addition, the contract affirms the County's support of the City's MSW collection system, affirm that S.C.O.R.E funds (if any) pass through by the County, proportionally, to the City and affirm the landmark cooperative program between the City and the County in electronics management and recycling.

The County wishes to extend the contract only until the end of March to bring the City's contract into a uniform timeline with the rest of the contract haulers. City staff agrees with this approach, since it will give the City and County time to discuss additional issues for the next, long-term contract. The County will be seeking improvements to steam sales and electric sales from the incineration of wastes at H.E.R.C. to vendors. City and County staff are exploring opportunities for the City to share in potential proceeds, since the facility does not contribute to the City's tax base, nor does the City have a "Host Community" benefit for the facility's location in Downtown.

The contract has been one that City and County staff are proud of, and has reflected the excellent working relationship that has developed between the City and County solid waste and environmental staff.