AUSTIN CITY COUNCIL

AGENDA



RCA	Austin City Council	**Item ID**	4785
Meeting Date:	4/07/2011	**Department:**	Solid Waste Services

Subject

Authorize the execution of a long-term contract for handling the City's Single-Stream Recycling either solely with Balcones Resources or solely with Texas Disposal Systems; or a combination of the two companies.

Amount and Source of Funding

Funding is available in the Operating Budget of the Solid Waste Services Department.

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	For more information contact Bob Gedert, 512-974-1926
Boards and Commission Action:	Reviewed by the Solid Waste Advisory Commission on March 16, 2011 and April 6, 2011.
MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). Firm MBE /WBE participation will be negotiated as part of the final contract.
Related Items:	

Additional Backup Information

The City's Solid Waste Services Department (SWS) is responsible for providing weekly collection of garbage, recycling, and yard-trimmings as part of the Residential Curbside Collection Services. In addition to these services, SWS is responsible for the semi-annual collection of large brush and bulky items, street sweeping, dead animal collection, and litter abatement services. The Solid Waste Services Department is funded by monthly fees from the Utility Rates and Anti-Litter Fees.

On June 24, 2010, the City Council identified two firms as candidates for handling the City's Single-Stream Recycling. The City Council directed the City Manager to negotiate with Balcones Resources (BA) and Texas Disposal Systems (TDS) and to determine which would be the most advantageous to the City for handling its long-term recycling needs. Negotiations commenced and have concluded, with the recommendation that the City contracts for a 20-year agreement with the selected recycling processor contractor(s). The contract negotiated with both vendors includes a 20 year Master Agreement, with four reset periods for renegotiation of terms. Although the contract is revenue generating for the City, there is a possibility that the city would incure costs because the revenue

is market based.

Option A: 100% of Single Stream Recyclables to Balcones Resources
Estimated annual revenue of $5,561,000 with estimated annual processing fees of $4,375,000 for an annual net income to the City of $1,186,000.

Option B: 60% of Single Stream Recyclables to Balcones Resources, 40% of Single Stream Recyclables to Texas Disposal Systems
Estimated annual revenue of $5,251,000 with estimated annual processing fees of $4,763,000 for an annual net income to the City of $488,000.

Option C: Any other option as determined and authorized by City Council.