

Recycling Processing Contracts

ZWAC Presentation

July 14, 2021



Services Provided

- 20-Year Master Agreement with Reset Periods
- Receipt of City Collected Recyclables
- Process, Sort, Bale, and Market Recyclables

Reset

- Agreements allow for periodic contract resets
- Award Percent – percent of City recyclable material delivered to each vendor (subject to reset)
- Evaluation Criteria for determining Award Percent
 - Vendor's pricing proposal
 - Vendor's performance after First Reset Date, measured in part by percentage of Recyclable Materials that Vendor sold to reputable recycling processors or otherwise diverted from disposal for reuse
 - Vendor's "good-will, teamwork, community engagement, and recycling education efforts"
 - Additional relevant factors

Current Terms

Balcones

- 60% tonnage
- Mon/Tue/Wed Routes

Texas Disposal Systems

- 40% tonnage
- Thurs/Fri Routes

City must deliver an average of 2,000 tons per month to each vendor

Financial Terms

- Market (Revenue) Share to City based on Published Market Indices
- Processing Fee Paid by the City
- Monthly Invoice: Net of Market Share (Revenue) and Processing Fee

Financial Information

Current Contract Terms

Factors Affecting Net Value to the City

Processing fees and revenue share

Materials composition

	<u>Ave Mo Tons</u>	<u>2000</u>	<u>2001 - 3000</u>	<u>3001-4000</u>
BRI	Process Fee	\$79.00	\$59.00	\$55.00
	Revenue Share %	51%	45%	40%
	<u>Ave Mo Tons</u>	<u>2000</u>	<u>2001 - 3000</u>	<u>3001-4000</u>
TDS	Process Fee	\$90.50	\$90.50	\$90.50
	Revenue Share %	77%	77%	77%

Financial Information

Current Contract Terms

Factors Affecting Net Value to the City

Processing fees and revenue share

Materials composition

Data displayed represents average of studies performed
April 2016 to November 2020

Material Type	Balcones	TDS
ONP #8 (Old Newspaper)	17.66%	15.09%
OCC (Corrugated Cardboard)	13.75%	15.59%
Mixed Paper	14.93%	11.82%
Plastic Bottles - PETE	1.76%	2.69%
HDPE Natural	0.64%	0.85%
HDPE Color	0.66%	0.93%
Mixed Plastics 3-7	1.36%	3.88%
Mixed Rigid Plastics	0.61%	0.34%
UBC (Used Beverage Cans)	1.27%	1.51%
Tin Cans	1.47%	1.52%
Scrap Metal	0.73%	0.96%
Glass	26.52%	27.51%
Residual - trash	18.63%	17.33%

Tonnage Information

- Until the 2nd Reset, minimum 2000-ton award to each vendor

Fiscal Year	Total Tons	<i>BRI</i>	<i>TDS</i>
FY 2016	58,846	35,612	23,234
FY 2017	58,689	34,201	24,488
FY 2018	58,647	35,097	23,550
FY 2019	59,290	35,303	23,987
FY 2020	63,431	37,341	26,089

Financial Information

Single Stream Recycling Report

Zero Waste Advisory Commission - June 9, 2021

Single Stream Recycling Statistical Report

FY21: October-April 2021

Texas Disposal Systems (TDS) and Balcones Resources, Inc. (BRI)

Month and Year	Contractor	Tons Delivered	Contractor Payments			Net Value to the City	Landfill Cost Avoidance	
			Revenue	Processing Cost	Net Amount Due/(Owed)	\$ per ton value	Cost Per Ton	Total
February 2021	TDS	1,594.73	\$79,885	\$144,323	(\$64,438)	(\$40.41)	\$22.87	\$36,471
	BRI	2,052.78	\$56,531	\$161,114	(\$104,582)	(\$50.95)	\$22.87	\$46,947
	Total	3,647.51	\$136,417	\$305,437	(\$169,020)			\$83,419
March 2021	TDS	3,043.48	\$161,486	\$275,435	(\$113,949)	(\$37.44)	\$22.87	\$69,604
	BRI	3,432.67	\$94,230	\$240,797	(\$146,566)	(\$42.70)	\$22.87	\$78,505
	Total	6,476.15	\$255,716	\$516,232	(\$260,516)			\$148,110
April 2021	TDS	2,135.54	\$119,927	\$193,266	(\$73,339)	(\$34.34)	\$22.87	\$48,840
	BRI	3,205.72	\$96,247	\$228,315	(\$132,067)	(\$41.20)	\$22.87	\$73,315
	Total	5,341.26	\$216,174	\$421,581	(\$205,407)			\$122,155
FY21 Totals		37,503.19	\$1,321,688	\$2,997,204	(\$1,675,516)			\$857,698

Timeline-2nd Reset

Action per Contract	Date
Notify Vendors of Reset Period	August 1, 2020
Vendors submit documentation to City including Community Engagement Efforts	September 30, 2020
Vendors notify City of desire to change volume or add services	November 1, 2020
Vendors submit pricing proposals to City	March 22, 2021
City to establish Award Percent	August 30, 2021
Contract Reset Date	September 30, 2021

Goals

- Allow both COA and vendor(s) to live through a range of market conditions
- Create shared risk and reward
- Create strong communication and collaboration
- Establish clear expectations

Questions

