

Recycling Processing Contracts *Update*

ZWAC Presentation

January 12, 2022



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

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	September 15, 2021
Contract Reset Date	October 15, 2021

Goals and Council Direction

- Allow both COA and vendor(s) to live through a range of market conditions
- Shared risk and reward
- Strong communication and collaboration
- Clear expectations

CM Alter Direction

- Further the city's zero waste goals and minimize the city's carbon footprint. As new technologies become available, the City Manager is directed to explore all avenues to recycle most materials from the City of Austin.
- Negotiate terms that provide the best value for Austin's ratepayers.
- Negotiate terms that allow for stronger proof and transparency that our recyclable materials are being recycled rather than placed in landfills.

Contract Highlights

	Balcones Resources	Texas Disposal Systems
Award Percent	60%	40%
Min. Monthly Tonnage (avg.)	2000	2000
Revenue Share %	78%	20%
Processing Fee per ton	\$98	\$50
Revenue Share Formula Change	Yes	No

Contract Highlights

	Balcones Resources	Texas Disposal Systems
Indices: Ave. to High-side	Yes	No
Customer Education Fee	Yes	No
Expanded Audit Terms	Yes	Yes
Expanded Safety Inspection	Yes	Yes
Strengthen Non- degradation clause	Yes	No

Revenue Share Payment Calculation

Revenue Share Payment

Texas Disposal Systems

(Revenue Percent X Value of Recyclable Material) – Processing Fee

Balcones Resources

*Net Value of Recyclable Material = **Gross** Value of Recyclable Material – Processing Fee*

Then

Revenue Share Payment = Net Value of Recyclable Material x Revenue Percent

In the case that the Processing Fee exceeds the Gross Value of Recyclable Material, the City will incur the cost equaling the difference between the Processing Fee and the Gross Value of Recyclable Material

Going Forward

- Next Reset Date October 1, 2026
- Annual Steering Committee Meetings
- Regular Operations Audits
- Semi-annual Composition Studies

Questions

