



City of San Antonio

Legislation Details (With Text)

File #: 21-2405

Type: Staff Briefing - Without Ordinance

In control: Community Health and Equity Committee

On agenda: 3/25/2021

Title: A briefing on the Request for Proposal (RFP) for a recycling processing contract. [David W. McCary, CPM, Assistant City Manager; David Newman, Director, Solid Waste Management Department]

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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DEPARTMENT: Solid Waste Management Department

DEPARTMENT HEAD: David Newman

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Recycling Processing Contract

SUMMARY:

A briefing on the proposed Request for Proposal (RFP) for a recycling processing contract for the City of San Antonio blue cart recycling program.

BACKGROUND INFORMATION:

On October 22, 2021 the Solid Waste Management Department (SWMD) presented to the Community Health & Equity Committee on the current recycling program and the future of recycling and commodity processing for the City. The current recycling contract with Republic Services (formerly ReCommunity) will expire in 2024. The current contract expense is approximately \$1.1 million annually, processing approximately 80,000 tons of materials collected in the blue carts.

The SWMD considered four options for the future contract:

Contract extension with current vendor

The SWMD discussed the option of a contract extension with the current vendor. While the vendor was open to extending the contract, they expressed a need to increase the processing fee and modify the revenue share.

City-owned and operated facility

The SWMD used Burns & McDonnell to conduct a feasibility study for a City-owned and operated recycling facility. They concluded that a City-owned and operated facility would be financially feasible compared to current traditional contracts. However, the City's lack of experience in both the operation of a proposed facility and in the marketing and selling of commodities is a drawback.

Traditional Contract

A professional services agreement similar to the current contract is a feasible option used by many cities across the U.S.

City-owned and contractor operated facility

A professional services agreement similar to the current contract could also include the option to utilize City-owned land for the construction of the facility. The SWMD has used this model in the past for the organics processing contract. It is also a feasible option.

To determine the level of interest from potential respondents, the SWMD issued a Request for Information (RFI) outlining the various options available. There were seven responses to the RFI, with interest in both a traditional contract and building on City property. Based on this analysis, the SWMD recommends issuing a Request for Proposal for a Professional Services Agreement with two submittal options. The respondent may propose to offer services at a location of their choice, or they may propose to build a facility at the SWMD's property (the former Northwest Service Center, located on Culebra Road, near Loop 410).

ISSUE:

By offering respondents two options, the City can evaluate the proposals in a side by side comparison and select the proposal that is best value for the City. Because of a depressed recycling commodities market, the SWMD believes that the future contract for recycling will increase, potentially from approximately \$13/ton to \$25/ton net expense. As a point of reference, the current average landfill disposal rate is approximately \$25/ton. This contract is not expected to begin until 2024.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

There is no fiscal impact from this briefing.

RECOMMENDATION:

This item is for briefing purposes only.