City of San Antonio

Agenda Memorandum

File Number:21-2906

Agenda Item Number: 2.

Agenda Date: 4/14/2021

In Control: City Council B Session

DEPARTMENT: Solid Waste Management Department

DEPARTMENT HEAD: David Newman

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Briefing for a Recycling Processing Pre-Solicitation.

SUMMARY:

This briefing will provide an overview of the current recycling processing contract and pending solicitation for a new contract. The presentation will also give an overview of the project scope, solicitation type, contract value, evaluation criteria, evaluation committee and timeline.

Once responses are received and reviewed, staff will return to provide another presentation and recommendation for award.

BACKGROUND INFORMATION:

The Solid Waste Management Department (SWMD) currently has a contract for recycling processing services with Republic Services, formerly ReCommunity. This contract began August 1, 2014 and will end July 31, 2024. The current contract expense is about $1.1 million annually, processing over 80,000 tons of material, such as cardboard, paper, aluminum cans, plastic bottles and glass collected in the blue carts.

The proposed contract shall be a professional services agreement with the selection based on a Request for Proposal. In general, the contractor shall separate the materials delivered by the City and sell the commodities on the recycling market. The City will pay the contractor a processing fee and will receive a portion of the revenue from the sale of the commodities. The contractor shall be provided the option to locate the facility either on SWMD property at 6802 Culebra Rd., or at the contractor's property.

To best structure the contract and gauge interest level, the SWMD issued a Request for Information. There were seven responses with interest on building on the City's property and on the contractor's property. Due to a depressed recycling commodities market, the SWMD believes that the future contract for recycling will increase over the current contract, 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.

ISSUE:

This is a high profile, multi-year professional service agreement for the processing of recyclable materials that the Department collects city-wide.

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.