



Legislation Text

File #: 180711., **Version:** 1

Interlocal Agreement Between Alachua County and the City for Recycling Processing (B)

This item is a request for the City Commission to approve an Interlocal Agreement with Alachua County for the processing of recyclables generated by the City's Solid Waste Residential Curbside Collection program.

In 2009 the City and County, working cooperatively, determined that the processing of the community's residential recycling would be best served by contracting directly with the processor and marketer of the recyclable materials rather than leaving that responsibility to the hauler.

A seven (7) year contract was negotiated with SP Recycling Corporation to process the recyclables from the residential collection programs of both the City and the County at the rate of \$45/ton, which cost was at least partially offset by revenues paid to the City and County for the market value of the material that was resold by the processor. The amount of revenue paid to the City and County was calculated using a sliding scale of 10% to 50% of the Weighted Average Price of the materials based on published commodity prices in industry publications, such as the Official Board Markets, the London Exchange, and Waste News. SP Recycling Corporation filed bankruptcy in 2014 and assigned their contract to Alachua County. That contract expired September 30, 2016, and was replaced with a two year contract with a new pricing structure.

Taking into account the current depressed commodities prices, and with an eye toward creating a processing agreement that will remain sustainable despite market fluctuations; the County abolished the flat fee and revenue share and replaced it with a sliding scale tipping fee that becomes a revenue share at prices above \$149.99/ton going forward. The revenue share tops out at \$35/ton for a blended ton over \$190. Under this agreement the City will pay the County a processing fee on a sliding scale per ton based upon the blended total rate for commodity markets for the current month. The sliding processing rate will remain the same through September 30, 2019 unless both parties agree to amend the Agreement.

The City's net cost for processing recyclables for the past 12 months was over \$124,169. Assuming the same quantity of recyclables processed and the same average blended total rate for commodity sales in FY19, the City's net cost for processing is estimated to be \$164,085 under the new sliding schedule of fees until the market improves.

Funding is allocated and identified in the Solid Waste Fund through the monthly residential Refuse Rate.

The City Commission authorize the City Manager to execute the Interlocal Agreement between Alachua County and the City of Gainesville for Recycling Processing through September 30, 2019, subject to approval by the City Attorney as to form and legality.