



## Legislation Details (With Text)

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**Title:** DISCUSSION AND POSSIBLE ACTION - RECYCLABLE MATERIALS PROCESSING.

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**Attachments:** 1. RESOLUTION, 2. BACKGROUND INFORMATION, 3. BACKGROUND INFORMATION, 4. BACKGROUND INFORMATION

Date	Ver.	Action By	Action	Result
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**TO:** Mayor and City Commission

**FROM:** Samuel A. May, City Manager

**DATE:** June 20, 2018

DISCUSSION AND POSSIBLE ACTION - RECYCLABLE MATERIALS PROCESSING.

**BACKGROUND:** The City of Margate currently has an agreement with Sun-Bergeron Solid Waste Services Joint Venture ("Sun-Bergeron") for recyclable materials processing. The initial five-year term of this agreement expires on July 2, 2018. In July of 2017, city staff approached Sun-Bergeron to discuss renewal of the agreement. Sun-Bergeron was unwilling to renew the agreement under the same terms, conditions, and pricing as the initial term of the agreement. Since that time, three cities (Coral Springs, Deerfield Beach, and Margate) solicited bids for recyclable materials processing and all three solicitations resulted in no bids being received. The City of Coral Springs subsequently negotiated terms of an agreement with Waste Management for them to process Coral Springs' recyclable materials. This negotiated agreement is before the Coral Springs City Commission on June 20, 2018. The main terms of the negotiated agreement are as follows:

- Term: Initial 5-year term beginning July 3, 2018 with two mutual five-year renewal options
- Processing Facilities: 1750 SW 43<sup>rd</sup> Terrace, Deerfield Beach, FL 33442 or 20701 Pembroke Road, Pembroke Pines, FL 33029
- Processing Fee: \$96.00/ton
- Contamination: Contamination over 10% will be charged at \$55/ton and loads over 30% contamination may be rejected with the City being responsible for disposal.
- Revenue Share: 55% for an Average Material Value ("AMV") up to \$120/ton; 65% for an AMV between \$120 and \$140/ton; and 75% for AMV over \$120.
- AMV: April 2018 value of \$72.05 (see attachment for calculation and composition percentages) with the composition adjusted every 6 months based on composition studies.
- No change to the current materials accepted.
- A joint recycling public awareness program.

- 120 day notice of termination for convenience by either party.
- Termination at will if the Sun-Bergeron agreement is renewed or revived by any Broward municipality.

Based on the agreement's terms, recyclables processing will, at least in the short term, go from historically being a revenue source to a cost. In Fiscal Year 2019, recyclables is anticipated to cost approximately \$100,000 (this figure is based on what the cost would be given current conditions but could change up or down depending on changes in the market values and the composition of the material collected). However, recycling would still provide a savings of approximately \$62,800 compared to disposing of that same material.

**RECOMMENDATION:** Authorize the proper City Officials to execute the Recycling Services Agreement and addendum with Waste Management for recyclables processing based on the awarded contract by the City of Coral Springs; and in the event the City of Coral Springs does not approve the agreement, authorize the proper City Officials to execute an agreement with Waste Management for recyclables processing using the same terms and conditions offered to Coral Springs by Waste Management.

**FISCAL IMPACT:** None.

**CONTACT PERSON:** Ronald Eyma, P.E., Acting DEES Director