



Agenda Item:

43

COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION—

Agenda Date: 10/25/04
549

Communication No.: 04-

Agenda Item Type: Resolution

Roll Call No:

Submitted by: William G. Stowe, Public Works Director

-

SUBJECT—

Annual Negotiation of Prices Paid for Recyclables to the City by MidAmerica Recycling.

SYNOPSIS—

On November 18, 2002, by Roll Call No. 02-2710, the City Council authorized the City Manager to negotiate and sign a contract with MidAmerica Recycling for the processing of Des Moines recyclables collected at the curb. The City's agreement with MidAmerica Recycling has resulted in the City's first ever revenues for recyclables. Staff has now negotiated new pricing that will result in an approximate \$12,000 increase in revenues for Fiscal Year 2005.

FISCAL IMPACT—

Estimated FY05 revenue to be in excess of \$275,000 for the Solid Waste Enterprise Fund.

RECOMMENDATION—

Approval

BACKGROUND—

On September 23, 2002, by Roll Call No. 02-2332, the City Council authorized issuance of an RFP for an exclusive recycler to receive, process, and market recyclable materials collected at the curb by the Public Works Department. On November 18, 2002, Council accepted an RFP

submitted by MidAmerica Recycling, and authorized the City Manager to negotiate and sign a contract. On December 17, 2002, the City Manager approved a contract with MidAmerica Recycling, resulting in the City of Des Moines' first ever revenues for recyclables in the amount of \$150,364 for year one of the contract.

Terms of the contract provide for annual renegotiation of the prices paid for recyclables. The Public Works Department has negotiated a decrease in processing fees, and an increase in the prices paid for selected materials as follows:

The newspaper and mixed-paper processing fee will decrease from \$27.50 to \$27.00/ton.

The new pricing will be based on official board markets (yellow sheet) at the high end of the Chicago market.

Steel will increase to \$65/ton from the current \$30/ton.

Plastics will increase to \$70/ton from the current \$60/ton.

Glass will remain at \$35/ton.

Based on the past year's tonnage, the City may expect to receive an estimated additional \$12,000 in revenue for its recyclables.