


COUNCIL COMMUNICATION

	Number:	23-409	Meeting:	September 11, 2023
	Agenda Item:	40	Roll Call:	23-1264
	Submitted by:	Jonathan Gano, Public Works Director		

AGENDA HEADING:

Approving Recyclables Processing and Marketing Service Agreement with Metro Waste Authority (MWA).

SYNOPSIS:

The MWA built a new Metro Recycling Facility (MRF) to accommodate the delivery and processing of all single stream recyclable materials for the Metropolitan area. The agreement is effective retroactively to November 1, 2021, through November 1, 2024, with the option for consecutive one (1)-year renewals, to pay recycling processing fees of an estimated amount of \$779,000 due for recycling processing and fees for the remainder of the term and renewals thereof.

Recycle rebates due to the City from November 2021 to June 30, 2023, are estimated to be \$979,720.

The agreement includes the City paying the MWA a processing fee equal to \$85 per ton for all material entering the MRF. Metro Waste Authority has agreed to pay the City of Des Moines 60% of the current market value for the materials brought in.

ATTACHMENT:

Schedule 1 Document showing Midwest Region of Consumer Price Index (CPI), with current rebates due to City on monthly basis. This document is provided monthly by MWA.

FISCAL IMPACT:

Amount: \$779,000 for estimated for outstanding processing fees
\$979,700 estimated revenue share
\$375,810 paid processing fees (November 1, 2021, to November 21, 2022) in good faith that contract was coming. Paid processing fees from (January 1, 2023, to June 30, 2023) directed from Director in good faith contract would be coming and to minimize outstanding fees.

Funding Source: PWK100119

ADDITIONAL INFORMATION:

Some of the Key provisions of the agreement with MWA are as follows:

- The initial term of this Agreement shall be for three (3)-year period to begin retroactively to November 1, 2021, to November 1, 2024, with option for consecutive one (1)-year renewal options.
- MWA Processing fee will be \$85 per ton for all materials entering the Facility.
- Processing fee will be reviewed annually on July 1, of each subsequent year beginning on 2024 by mutual agreement of both parties with an increase limited to no more than the percentage increase of consumer price index (CPI) Midwest Region as published by department of US Labor, Bureau of Statistics for the preceding month.
- Revenue Sharing: The Contractor will receive 40% revenue share and City will receive 60% revenue share based on consumer price index (CPI) Midwest Region, current market value of Commodity Pricing Summary.
- MWA will conduct one (1) audit per year for the purpose of determining the contamination rate to be used following year.
- MWA receiving hours must accommodate the City's collection schedules, including holidays and overtime. (7:00 am to 4:30 pm)
- MWA must pay the city monthly based on pricing contained in their proposal. Pricing is based on current market value based on the Midwest Central Region Index.
- MWA will be responsible for the processing of all recyclable materials listed in the agreement.
- MWA must maintain a Materials Recycling Facility or Materials Recycling Facility and Office and provide the location of backup facility within the metropolitan area.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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