



CITY OF DURHAM | NORTH CAROLINA

**Date:** January 31, 2013

**To:** Thomas Bonfield, City Manager  
**Through:** W. Bowman Ferguson, Deputy City Manager  
**From:** Donald M. Long, Director Solid Waste Management  
**Subject:** Amendment #4 to the Household Hazardous Waste Contract

### **Executive Summary**

In January 2004, ECOFLO, Inc. was selected as the City's Contractor to operate the Household Hazardous Waste (HHW) facility for a period of four years. Although typically referred to as the HHW facility, both HHW and electronic waste such as old computers, televisions and small appliances are accepted and managed at the facility.

The original Household Hazardous Waste Contract ("Contract") has been amended three times to extend the contract for additional years. The Contract was amended in January 2011 to change the termination clause and to eliminate the charge for the collection of electronic waste. Amendment #4 is to eliminate the acceptance of electronic waste, extend the Contract for one additional year, and to adjust the total cost of the Contract to account for the 2% CPI price adjustment in accordance with the price and terms of payment set forth in the original contract.

### **Recommendation**

Staff recommends that the City Council authorize the City Manager to execute Amendment #4 to the Household Hazardous Waste contract between the City of Durham and ECOFLO, Inc. for one additional year, and to increase the spending authority to \$1,831,055.80.

The cost to extend the contract for one additional year is \$244,800. No new funds are required for this contract amendment, as funding is allocated through the annual budget process.

### **Background**

In January 2004, ECOFLO, Inc. was selected as the City's Contractor to operate the HHW facility for a period of four years. During FY 2005-06, the Budget and Management Services Department coordinated a managed competition initiative focusing on optimizing and consolidating the HHW program. The primary scope of the program was to evaluate the feasibility and demand for a single drop-off site, evaluate the operational challenges of coordinating HHW activities between the Solid Waste and Water Management Departments, and to develop a plan to offer a seamless HHW experience for citizens. As a result of the managed competition initiative, it was determined that the HHW program should be transferred to the Solid Waste Management Department. Amendment #1 was executed to effect this change and to extend the Contract for four years.

In January 2011, SWM staff renegotiated with the Contractor to eliminate the charge for collecting electronic waste (effective July 1, 2011) and changing the terms of the termination clause. Amendment #2 was executed to effect this change, resulting in a savings of \$41,378. Amendment # 3 was executed in January 2012 to extend the terms of the contract for an additional one- year term and to update the pricing based on the CPI adjustment in the original contract.

In September 2012, ECOFLO, Inc. informed the City of Durham of its intent to cancel acceptance of electronic waste under the agreement in Amendment #2 of the Contract. The cancellation was effective December 10, 2012.

During FY 2011-2012, over 820,000 pounds of HHW and electronic waste was diverted from the waste stream. The continued collection of household hazardous waste is a vital service to the community that ensures the safe disposal of HHW, as well as assists in meeting the City's waste reduction goals.

### **Issues/Analysis**

The Solid Waste Management Department is currently working with a consultant to enhance its Comprehensive Solid Waste Plan, which includes a relocation of the HHW facility to the Waste Disposal and Recycling Center property and an evaluation of the City's HHW operation. Because of this evaluation, and since recycling technology for HHW is rapidly changing, the proposed contract amendment to extend the current contract for one year will allow the City the opportunity to seek alternative disposal options for HHW. With adequate notification, the City may cease to use ECOFLO for these services.

### **Alternatives**

One alternative would be to cease having the HHW facility open during regular operating hours and instead coordinate occasional HHW clean-up days throughout the year. This option would likely be less costly to the department's operating budget, but will also be an inconvenience to Durham's residents and more costly for the environment and storm water, as citizens may chose not to stockpile HHW until the next collection event.

A final alternative would be to cease collecting HHW, which will most likely have a devastating effect on the environment.

### **Financial Impact**

The cost to extend the contract for one additional year is \$244,800. No new funds are required for this contract amendment, as funding is allocated through the annual budget process.

### **SDBE Summary**

Not applicable

### **Attachments**

Amendment #4 to the Household Hazardous Waste Contract