



Date: December 2, 2013

To: Thomas Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald M. Long, Director Solid Waste Management
Subject: Household Hazardous Waste Contract Amendment No. 5

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, were accepted and managed at the HHW facility at that time.

The original HHW Contract (“Contract”) has been amended four times to extend the terms of the Contract for additional years. This Amendment #5 is to 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. This will be the final extension to this contract. The Solid Waste Management Department (the “Department”) has made the decision to issue a Request for Proposal for these services. In the next year the construction of a new facility will be completed, which will change the current scope of work. There has also been an additional vendor in the area that has started offering the required services. The Department hopes that the increased competition may result in more favorable rates for this service

Recommendation

The Administration recommends the City Council to authorize the City Manager to execute Amendment #5 to the Household Hazardous Waste contract between the City of Durham and ECOFLO, Inc. to extend the for one additional year, at a total cost for the additional year of \$245,000.

Background

In January 2004, ECOFLO, Inc. was selected to be the City’s Contractor to operate the HHW facility for a period of four years. During Fiscal Year 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 to change 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. Amendment #4 was executed in January 2013 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 contract's terms of payment.

During Fiscal Year 2012-2013, over 294,000 pounds of HHW were 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. The new facility, which is expected to be completed by the end of FY 2014, optimizes the handling of HHW by co-locating it at the Transfer Station property. This operational change will change the scope of services needed from the vendor. The SWM Department will issue an RFP with the revised services which may result in cheaper per pound rates due to increased services providers in the area.

Issues/Analysis

After a careful evaluation of the City's HHW operation, the decision was made to relocate the HHW facility to the Waste Disposal and Recycling Center property. Because of this evaluation, and since recycling technology for HHW is rapidly changing, the proposed amendment to extend the current contract for one year will allow the City the opportunity to seek alternative recycling/disposal options for HHW. The Department will issue an RFP seeking alternative recycling/disposal options for HHW which will better serve the City's needs at the new collection facility.

Alternatives

One alternative would be to cease having the HHW facility open during regular operating hours and instead coordinate occasional "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 \$245,000. No new funds are required for this contract amendment, as funding is allocated through the annual budget process.

SDBE Summary

Not applicable

Attachments

Amendment #5 to the Household Hazardous Waste Contract
Appendix A – Update Pricing

