



CITY OF DURHAM | NORTH CAROLINA

Date: May 15, 2015

To: Thomas J. Bonfield, City Manager

Through: Bo Ferguson, Deputy City Manager

From: Donald Long, Solid Waste Director

Subject: Extension of Interlocal Agreement with Durham County for Recycling Services

Executive Summary

In September, 2012, the City entered into an interlocal agreement with Durham County for the collection and sale of recyclable materials by the City of Durham from Durham County Solid Waste Convenience Center locations. The original contract was for a period of one year, and was extended in 2013 for an additional period, expiring June 30, 2015.

The monthly compensation paid to the City under the terms of the most recent extension was not to exceed the amount of \$10,512.25 per month, for a total contract amount of \$220,757.25.

The current proposed extension is for a period of five years, beginning July 1, 2015 and expiring June 30, 2020, at a monthly fee of \$9,207.16. A fuel surcharge in the original agreement has been replaced by a CPI indexed cost escalator. All other terms and conditions of the existing interlocal agreement would remain the same.

Recommendation

That the proposed five-year extension of the interlocal agreement between the County of Durham and the City of Durham for the collection and sale of recyclable materials be approved; and,

That the City Manager be authorized to modify the agreement before execution provided that the modifications do not decrease the dollar amount of the agreement and the modifications are consistent with the general intent of the existing version of the agreement.

Background

In September, 2012, the City entered into an interlocal agreement with Durham County for the collection and sale of recyclable materials by the City of Durham from Durham County Solid Waste Convenience Center locations. The original contract was for a period of one year, and was extended in 2013 for an additional period, expiring June 30, 2015.

The monthly compensation paid to the City under the terms of the most recent extension was not to exceed the amount of \$10,512.25 per month, for a total contract amount of

\$220,757.25.

Issues/Analysis

Alternatives

The City may choose to not extend the interlocal agreement with Durham County. The existing agreement generates approximately \$110,000 per year in payments from Durham County, with approximately \$90,000 in annual expenses.

Financial Impact

The total revenue generated under the terms of the extended interlocal agreement is not to be less than \$552,430 for the proposed five-year extension.

SDBE Summary

This is a contract amendment and is not reviewed for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachments

1. Amendment 2 County Recycling Interlocal Agreement
2. Exhibit A - City-County Interlocal Agreement

**STATE OF NORTH CAROLINA
COUNTY OF DURHAM**

**AMENDMENT #2 TO THE INTER-LOCAL AGREEMENT FOR THE CITY TO PROVIDE RECYCLING
COLLECTION SERVICES TO DURHAM COUNTY CONVENIENCE SITES**

This Interlocal Agreement amendment (“Amendment #2”) between the City of Durham (“City”) and the County of Durham (“County”) is dated, made, and entered into this _____ day of _____, 2015.

Amendment to the Existing Agreement. The agreement between the parties for the City to provide recycling collection services to Durham County Convenience Sites dated the 17th day of September, 2012 (“Original Interlocal”) was previously amended on November 14, 2013 (the “First Amendment”), and is hereby further amended as follows:

1. Pursuant to Section 8 of the Original Interlocal Agreement, the County and the City desire to extend the Agreement for an additional renewal term which shall run from July 1, 2015 through June 30, 2020.
2. Exhibit A is hereby replaced in its entirety by a new Exhibit A, which is attached to and made part of this agreement

Except as amended, the Interlocal Agreement is reaffirmed and remains in full force and effect.

IN WITNESS WHEREOF, the City and County of Durham have caused this Amendment #2 to be executed under seal themselves or by their duly authorized agents or officers

County of Durham

BY: _____

[Please place County Seal here.]

City of Durham

City Clerk

BY: _____

Thomas J. Bonfield
City Manager

Exhibit A:

Scope of Services

- 1. Monthly Service Costs per site and Frequency.** The City shall provide recycling collection services for the four Durham County convenience collection sites as follows:

Convenience Site	Frequency and Service Day
Bahama-Quail Roost & Ball Road	3 x per week Monday, Wednesday, Friday
Redwood & Electra Road	3 x per week Monday, Wednesday, Friday
Rougemont- Hwy 501 North & Bill Poole Road	2 x per week Monday and Friday
Parkwood-Hwy 55 & TW Alexander Dr.	2 x per week Monday and Friday
TOTAL COST/MONTH:	\$9,207.16

The City will retain any revenue associated with the sale of recyclables.

2. Additional Service Request(s)

The City will provide additional collections for \$150.00 per collection. The County will be invoiced \$150.00 for each collection additional to those listed in Section 1 above.

3. CPI-Indexed Rate Increases

The Base Price for this agreement is \$9,207.16 per month. Requested price escalations beyond the monthly rate of \$9,207.16 shall be submitted to the County by February 5th each year, and must be approved by both parties prior to the effective date. The effective date for any price increases shall be July 1st of that year. Requests for price escalation shall be based on the “Bureau of Labor Statistics Consumer Price Index (CPI) including All Urban and US City averages”. The period evaluated for the requested CPI percentage and adjusted service rates will be January of the previous year and January of the present year, and shall be calculated as follows:

$$\text{New Monthly Fee} = \text{Current Monthly Fee (CMF)} + \text{Annual CPI Adjustment}$$
$$\text{CPI Adjustment} = \frac{\text{CPI 2} - \text{CPI 1}}{\text{CPI 1}} \times 100\% + \text{CMF}$$

CPI= the Bureau of Labor Statistics Consumer Price Index (CPI) including All Urban and US City averages.

CPI 1= published CPI average for the month of January of the prior year

CPI 2= published CPI average for the month of January of the current year

4. Clean Up

The City will be responsible for cleaning up any recyclable material that is spilled while collecting from the County's sites. The City will not be responsible for items not properly placed in containers.

5. Contamination

For the length of this agreement, the material received must not exceed 10% contamination (contamination includes any non-recyclable materials) per load that is removed from each County site. If the load is deemed in excess of 10% contaminated by the recycling vendor and rejects the load, the County will be invoiced \$42.50 per ton for disposal of the contaminated material plus an additional \$25.00 transport fee for the trip to the City's transfer station.

6. Audit Rights

For all services being provided hereunder, the County shall have the right to inspect, examine, and make copies of any and all books, accounts, invoices, record and other writings related to the performance by the City pursuant to this interlocal agreement. Audits shall take place at times and locations mutually agreed upon by both parties, and the City will make the material to be audited available within 7 business days of the County's request unless both parties agree otherwise.