



CITY OF DURHAM | NORTH CAROLINA

Date: May 10, 2016

To: Thomas J. Bonfield, City Manager

From: Donald M. Long, Solid Waste Director

Through: W. Bowman Ferguson, Deputy City Manager

Subject: Inter-local Agreement with Durham County for Processing and Hauling of Recyclable Materials

Executive Summary

The County of Durham currently delivers recyclable materials collected at County convenience centers to Sonoco's Durham facility. Due to the economic climate, Sonoco informed the County that it would begin charging a higher premium to receive and haul the County's materials from the Sonoco Durham facility to the Sonoco Raleigh facility.

The County requested a proposal from the City to process and haul its target recyclable materials that would be delivered to the City's Waste Disposal Center and Transfer Station by the County's private contracted collection service. The County has expressed their desire to accept the City's proposal to provide this service.

Recommendation

That Council authorizes the City Manager to enter into an agreement with Durham County to provide target recycling processing and hauling service to the County at a rate of **\$18.13** per ton to commence on July 1, 2016 through June 30, 2017. The Inter-local agreement (ILA) shall automatically renew at the beginning of each fiscal year thereafter unless specifically terminated by either party.

Background

The County of Durham's contract is expiring with recyclable materials processor Sonoco of Raleigh. During their renegotiation process, Sonoco informed the County that due to the economic climate of recycling markets, the County would have to begin paying \$25 per ton to have their target recyclables processed and hauled from Durham to Raleigh. Seeking other options, the County requested that the City of Durham provide a proposal to process and haul the collected target recyclables via the City's Waste Disposal Center.

The City's target recyclable materials are currently received at the City's Transfer Station. The materials are processed by the City's contractor Waste Industries and are hauled to Sonoco Raleigh at a cost of \$18.13 per ton. The proposal presented to the County would provide them with the same services at the same cost via the WDC.

Issues/Analysis

Entering into the proposed inter-local agreement between the City and County will not result in any new costs to the City, as all costs associated to load and transport recyclable materials received from the County will be billed to the County each month. Under the terms of the inter-local agreement, the County accepts responsibility and associated costs for any loads deemed unacceptable due to contamination by Sonoco.

Alternatives

The City may choose to not enter into an inter-local agreement with the County of Durham for the receipt and transport of recyclable materials.

Financial Impact

Entering into the proposed inter-local agreement will not affect the cost to the City for receipt and transportation of recyclable materials from the City's WDC to Sonoco Raleigh. Under the terms of the City's contract with Sonoco, a subsidy of \$6.00 per ton is paid to the City for all target recyclables transported directly to Sonoco's Raleigh facility.

The additional tons from the County will increase the subsidy being paid to the City.

SDBE Summary

This Inter-local agreement has been not reviewed for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachments

None