



Date: December 21, 2015

To: Thomas Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald M. Long, Director Solid Waste Management
Subject: Contract to Transport, Process and Market Electronic Materials

Executive Summary

This contract will allow for the continued collection, processing and marketing of electronic waste (“e-waste”) at the City’s Convenience Center, and is necessary because the City’s current e-waste management service provider, MeTech Recycling, advised the City in November 2015 of its intention to stop accepting e-waste materials from the City as soon as the City could secure a new service provider.

In November 2015, a Request for Proposals (RFP) was issued soliciting proposals from qualified service providers that could collect, transport, process, and market e-waste materials. Market conditions for e-waste are not strong. As such, despite inquiries from multiple vendors regarding the RFP, only one service provider ultimately elected to submit a proposal.

Recommendation

To authorize the City Manager to execute a contract between the City of Durham and _____ for the purpose of collecting, transporting, processing and marketing electronic waste collected at the City of Durham’s Convenience Center. The initial term of the Contract is 2 years with an option to renew for 3 additional 2-year periods, for a total contract period of 8 years. The City will be required to pay for the management of certain low value items, and will receive payment from the Contractor for other higher-value materials. Charges and reimbursements are primarily weight based, with some on a per-item basis. Fees also apply for provision of packing materials and transport of the collected items by the contractor.

Background

The City of Durham accepts electronic waste at the City’s Convenience Center on East Club Boulevard. In March 2013, a Request for Proposals (RFP) was issued soliciting proposals from qualified service providers that could collect, transport, process, and market electronic materials. In June 2013, a contract was awarded to Creative Recycling LLC. In June 2014, Creative Recycling ceased operating due to financial difficulties. MeTech Recycling agreed to provide services on an interim basis beginning July 2014, and continued to do so through 2015. In December, 2015, MeTech advised of their intent to discontinue providing e-waste services to the City of Durham, due to weak market conditions for most products being collected. The City issued an RFP in November 2015.

Issues/Analysis

N.C. General Statutes 130A-309.130 through 130A-309.141 "Discarded Computer Equipment and Television Management" prohibit the disposal of electronic waste items in landfill. Diverting e-waste materials from disposal also avoids associated tip fees, and supports the City's Strategic Plan Goal for stewardship of Physical and Environmental Assets by keeping hazardous materials out of landfills.

Alternatives

One alternative is to issue another RFP and start the search process again. There is, however, no guarantee that different service providers would respond. The potential also exists that new bids could come in at a higher total cost than the current proposal submitted by _____.

A second alternative would be for the City to discontinue the e-waste program. This would, however, put it in violation of N.C. General Statutes 130A-309.130 through 130A-309.141, deviate from the City's Strategic Plan goal of limiting environmental impact by sending these materials to landfill disposal, and have a negative impact on customer satisfaction.

Financial Impact

The City will be charged by the vendor for acceptance of certain e-waste items, and will receive payment for other products and materials. Most costs and reimbursements are based on the weight of materials, while others are per item. The estimated cost for the remainder of FY 16 is \$_____. The estimated cost for FY 17 is \$_____. These costs exceed those of the current contract which has been revenue neutral.

SDBE Summary

Not applicable

Attachments

Contract between the City of Durham and _____