

Council Meeting Staff Report

September 10, 2019

Agenda No.: A.

Indexes (Council Goals):

Presenters: Jon Bulthuis

Legislative File: AGR0645-19

Title

Approval of Amendment to Increase County's Compensation for Service Agreement AGR 18-01 with Friedman Recycling of Albuquerque, LLC. Compensation shall increase in the amount of \$180,673.00 over the next 5 years and shall not exceed a combined total of \$417,595.00 (plus applicable GRT) for the purpose of sorting, processing, and marketing of Mixed Recycle Material.

Recommended Action

I move that Council Approve the Amendment to Increase County's Compensation for Service Agreement AGR18-01-A1 Friedman Recycling of Albuquerque, LLC. Compensation shall increase in the amount of \$180,673.00 over the next five years and shall not exceed a combined total of \$417,595.00 (plus applicable GRT) for the purpose of sorting, processing, and marketing of Mixed Recycle Material

County Manager's Recommendation

The County Manager recommends that Council approve this motion as presented.

Body

On July 9, 2017, the County advertised a formal competitive solicitation for Mixed Recycling Services through Request for Proposals No. 18-01. The responses were received on July 25, 2017 and the evaluation committee recommended an award to Friedman Recycling of Albuquerque, LLC.

In January 2018, China implemented their "National Sword" policy. The policy is China's strictest regulation on imports of solid wastes as raw material. As a result China stopped accepting various types of mixed recyclables because too much trash was mixed in with recyclable materials like cardboard and certain plastics. China also implemented stringent standards on the limit of contamination, increasing from 90-95 percent purity to 99.5 percent. Before the ban, China was purchasing approximately 50% of the recycled materials in the global market.

On April 11, 2019, the County received a letter from Friedman Recycling requesting additional funding due to the change in market conditions. (See Attachment B).

As a result, the County has been negotiating a processing fee that would be fair to both parties. (See Attachment C). Due to our community's desire to have access to Mixed Recycle Services, the County and Contractor wish to amend the Agreement and increase the compensation to adjust for new market conditions.

Alternatives

Council could choose to not approve the amended agreement and re-advertise for these services. However, Friedman Recycling is currently the only mixed recycle processing facility in the state of New Mexico. The next closest facility is El Paso, which is also owned and operated by Friedman Recycling and the same rates would apply, but the cost to transport materials would also increase.

Council could also choose to terminate the recycle contract; however, the mixed recycle program is well established and very well-liked by the community. Over 85 percent of residential household

participate in the mixed recycle program

Fiscal and Staff Impact/Planned Item

The amendment will add operating costs up to approximately \$36,000 per year for Mixed recycling services. There is not expected to be an immediate impact on rates.

Attachments

A - Friedman Recycling of Albuquerque - AGR 18-01

B - Letter from Friedman Recycling

C - Friedman Recycling of Albuquerque Amendment - AGR 18-01-A1