THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: May 25, 2021

Subject: Recycling collection contract amendment

Staff Resource(s): Greg Shuler, Public Works Director, and Jes Foster, Sanitation Division Manager

Action Requested: Adoption of a resolution authorizing the City Manager to amend the recycling collection contract with Curbside Management.

Background:

- The City contracts with Curbside Management to provide recycling collection and processing services for City residents and City facilities.
- The current contract is set to expire June 30, 2021.
- Staff is recommending that the current contract be amended to extend the contract for an additional five years, to make minor modifications to the general contract language, and to adjust the base pricing.
- Starting in 2017, China, followed by other countries, stopped importing recyclable waste. With little recycling infrastructure present in the United States, processors had few to no options for recycling collected materials.
- Global recycling markets are still unstable, infrastructure development in the United States is slow, and the timing of overall market recovery is still unknown.
- For the past two years, Finance, Public Works, and Office of Sustainability staff have been closely monitoring the global recycling crisis and its impact on municipalities.
- Due to the crisis, resulting price spikes, and uncertainty around recovery, staff have observed municipalities cutting recycling programs and haulers/bidders proposing very high fees or declining to bid on recycling contracts.
- The Recycling Partnership's 2020 State of Curbside Recycling Report finds that, for communities who charge residents the full cost of recycling service, the average fee is $4.39-$4.56 per month.
- Subscription service examples ranged from $5.30-$8.25 per month per household.
- For communities who subsidize the cost of recycling for residents, the average fee to residents is $6.05 per month.
- The COVID-19 pandemic has created additional unknowns about budgets and economic conditions, as well as placed additional burdens on staff capacity.
- Maintaining our current level of service at a known price allows for more accurate budget planning and continuity of service during this time.
- The current contractor, Curbside Management, will continue to provide the same recycling services at an affordable rate.
- Curbside Management's thoughtful planning and foresight has enabled them to continue to offer recycling to the community during a time when other municipalities have made deep cuts or completely shut down their recycling programs.
- As both hauler and processor of recyclables, Curbside Management has a vested interest in helping the City improve recycling rates and reduce contamination.
- However, Curbside Management will increase the cost of providing this service.
- Factors contributing to the rate increase include, but are not limited to:
    - low commodity value;
    - increased insurance costs for recycling processors due to fire risk;
    - increased labor costs;
    - investment in equipment to stay viable in restricted national markets;
    - bonding costs; and

    - a lack of sustainable rate increases over the course of the 10 year contract due to low CPI rates.

Vendor Outreach Efforts:
- Curbside Management is a local business that provides a unique and specialized service to the City for both curbside collection and recyclable processing.

Council Goal(s):
- A Clean and Healthy Environment

Committee(s):
- None

Pro(s):
- Ensures continuity of recycling collection services to City residents during uncertain times.
- Allows time for clear budget planning during a time of unstable market and economic conditions.

Con(s): None

Fiscal Impact:
- The cost to the City for residential recycling increases from $3.15/month to $3.80/month. The solid waste fee to residents of $14/month for trash, recycling, and yard waste is not increasing at this time.
- Estimated total impact of $1.6 million annually, which is an annual increase of approximately $296,000 from the FY21 contract.

Suggested Motion:
- Motion authorizing the City Manager to amend the recycling collection contract with Curbside Management.

Attachment(s):
- Resolution
- Letter of Support from SACEE

RESOLUTION NO. 21-____

RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND A CONTRACT WITH CURBSIDE MANAGEMENT INC. TO PROVIDE RECYCLING COLLECTION AND PROCESSING SERVICES FOR THE CITY OF ASHEVILLE

WHEREAS, the City of Asheville has authority pursuant to Article 3 of Chapter 160A of the North Carolina General Statutes to enter into contracts for services with other entities; and

WHEREAS, the City of Asheville entered into a 10-year contract with Curbside Management on September 29th, 2011;

WHEREAS, the contract between the City and Curbside Management, Inc. authorizes amendments, supplements, or modifications to the contract; and

WHEREAS, the contract aligns with City Council 2036 Vision of a Clean and Healthy Environment; and

WHEREAS, the amendment to this contract includes, but is not limited to: service rate increase; definition modifications; and term agreement changes;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to amend a contract with Curbside Management, Inc., to provide recycling collection and processing services for the City of Asheville.

Read, approved, and adopted this the 25th day of May 2021.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney