



To: Zero Waste Advisory Commission

From: Bob Gedert, Department Director, Austin Resource Recovery

Date: June 11, 2014

Subject: Agreement for Recycling Processing for City Building Collection

The purpose of this item is to obtain a favorable ZWAC recommendation for City Council to authorize award and execution of a contract with **Balcones Resources, Inc.**, to provide recycling processing services for City in-house collection. The initial contract period will be for 36 months, in an amount not to exceed \$123,000, with three 12-month extension options in an amount not to exceed \$41,000 per option. The total potential contract amount, including extension options, will not exceed \$246,000 for the six-year period.

Purpose and Background

Austin Resource Recovery crews collect single-stream recyclable material from approximately 160 City of Austin facilities. This material includes newsprint, old corrugated containers, mixed paper, plastics, used aluminum beverage cans, tin cans, glass, and scrap metal. With this contract, the crews will deliver recyclables to the contractor every business day, and the contractor will sort, process, market and sell the material.

Balcones Resources has offered a revenue share, which may offset anticipated payments, depending upon market pricing for each recycling commodity and the tonnage of each material collected. Recent market values of the materials range from \$8.00 per ton for glass to \$1,240 per ton for used beverage cans. In one potential scenario, in which quantities and market prices were estimated, staff calculated annual net revenue of \$15,270 after processing costs were subtracted from the total revenue. Because quantities and market prices will vary based on several factors, staff bases this recommendation solely on the anticipated processing fees.

Contract Timeline

March 31st – City of Austin Issues IFBBV 1500 JRD0111
April 22nd – Proposals Received
June 11th – ZWAC Recommendation
June 26th – Target City Council Date

Staff Recommendation

Staff recommends City Council authorization of award and execution of a 36-month service contract with **Balcones Resources, Inc.**, to provide recycling processing services in an amount not to exceed \$123,000 with three 12-month extension options not to exceed \$41,000 per extension option, for a total contract amount not to exceed \$246,000.