




Date: September 16, 2014

To: Municipal Recycling Partners

From: Perry Lindquist, Land Resources Manager 

RE: Recycling Agreement – Financial Support for Municipal Recycling Collection Contracts

To facilitate the local transition to single sort recycling, the attached 10-year financial assistance agreement is being offered to each of our 25 partner municipalities to support certain municipal recycling collection contract costs. Specifically, the agreement provides financial assistance for the costs of new, larger recycling containers, and the direct haul of recyclables to our new Joint City/County Material Recovery Facility (Joint MRF) in Milwaukee. The prices for both of these items were obtained as part of the recent County-coordinated collection contract Request for Proposals (RFP), of which 20 municipalities participated. The annual payment to each community will be based on the following, as described in the two sections of the agreement:

Recycling Containers (Section 1)

This portion of the annual payment is standardized for all communities, based on the number of households served and the size of the recycling container used. The Municipality may apply this payment toward the purchase, lease, or lease-to-own option for new recycling containers, which is a local decision. If 32-gallon recycling containers are used (i.e., up-the-drive service), payment for up to two recycling containers per household is allowed. The agreement describes the specific conditions for accepting the payment, including container use, warranty and maintenance, support of recycling educational efforts, and annual reporting.

Direct Haul of Recyclables to Milwaukee (Section 2)

This portion of the annual payment is based on additional municipal costs for hauling recyclables directly to the Joint MRF, rather than the Waukesha MRF. The RFP showed that the cost for direct haul were about half the costs of operating a Waukesha transfer station. Therefore, financial support is being offered to cover the additional municipal direct haul costs, up to the average costs from the RFP. The actual amount in this part of the agreement will be based on each local hauling contract, and is subject to annual inflationary adjustment. Conditions for accepting this portion of the payment include coordinating recyclable delivery times at the Joint MRF, following County protocol on deliveries, and providing the County copies of hauler contracts, future contract amendments, and annual hauler reports.

Since some of the agreement provisions affect the haulers, the attached Schedule 2 will need to be incorporated into local hauler contracts. The payment from this agreement will be combined with the annual recycling dividend payments the County has provided the 25 municipalities each spring, totaling over \$12 million since 2001. This 10-year agreement matches the normal warranty period on recycling containers, while providing predictability for local budgets. It is recommended that municipalities discuss the details of the agreement with County staff prior to execution. If you should have any questions, feel free to contact Rebecca Mattano, Solid Waste Supervisor, or myself.



## RECYCLING AGREEMENT

### Financial Support for Municipal Recycling Collection Contracts

**THIS RECYCLING AGREEMENT** is between Waukesha County - Department of Parks and Land Use ("County") and the [insert Municipality Name] \_\_\_\_\_ ("Municipality").

**WHEREAS**, since 1990, the County has served as a "Responsible Unit" ("RU") for recycling under Chapter 287 Wisconsin Statutes for twenty-five (25) participating communities, including the Municipality;

**WHEREAS**, the public/private partnership at the County-owned Material Recovery Facility ("MRF") in Waukesha has allowed the County to provide participating communities over \$12 million in tax relief ("dividend payments") and numerous services at no cost, such as recyclable processing, public education programs, household recyclable containers, special event containers and regional recyclable drop-off boxes;

**WHEREAS**, between 2007 and 2012, a series of independent and joint studies were completed by both the County and the City of Milwaukee ("City") to determine the best future path for recyclable processing to adapt to the industry trend of single sort collection and processing systems;

**WHEREAS**, in 2014, after completing a competitive joint request for proposal (RFP) process, the County and City executed an intergovernmental agreement and concurrent contracts with a private company named "ReCommunity" to design, build and operate a Joint City/County MRF in Milwaukee ("Joint MRF"), which is scheduled to begin processing single sort recyclables for both communities in early 2015;

**WHEREAS**, studies show single sort recycling systems are more convenient and popular with residents, allow more material to be recycled, may reduce municipal collection costs, and will increase recycling rates in the County by an estimated 25%;

**WHEREAS**, to accommodate the increased recycling rate, larger recycling containers are required for residents within the participating communities, representing over 89,000 households;

**WHEREAS**, in 2014, the County facilitated an RFP for participating communities for the collection and disposal of solid waste and the collection and transport of single sort recyclables, which showed the most cost-effective alternatives for containers and for transporting recyclables to the Joint MRF for processing; and

**WHEREAS**, using revenues from the sale of recyclables and state grants, the County has agreed to provide participating communities financial support for municipal collection contract costs relating to new single sort recyclable containers and for transporting recyclables directly to the Joint MRF for processing, based on the proposals from the 2014 collection contract RFP.

**NOW THEREFORE**, in consideration of these premises, the County (serving as the RU), and the Municipality (serving as a program partner), hereby agree as follows:

**1. Recycling Containers.**

(a) County Financial Support. By June 1<sup>st</sup> of each year, the County shall pay to the Municipality [\$0.44 for 96-gallon, \$0.38 for 64/48-gallon, or \$0.22 for 32-gallon] per household per month (times 12 months) to support the cost of a new recyclable container for each household/unit served by the Municipality for collection of single sort recyclables. This annual payment is based on the container size and the number of households/units served, which shall be reported to the County by February 1<sup>st</sup> each year. The Municipality may apply this payment toward the purchase, lease or lease-to-own options for a new recycling container. The County does not provide any financial support for refuse containers. If 32-gallon recycling containers are used, the County will support the costs for a maximum of two containers per household with the following conditions: 1) the containers are only used for recycling, to be enforced by the hauler; 2) the annual report described above includes the number of households that have been provided two 32-gallon recycling containers.

(b) Container Standards and Education. The financial support under (a) above is contingent on the Municipality: 1) using recycling containers that meet County standards for in-mold educational labeling; and 2) requiring the contracted collection company to distribute educational materials to each household along with the delivery of the new recycling containers. The County shall provide educational materials at no cost to the Municipality, advertising the transition to single sort recycling.

(c) Container Maintenance. The Municipality shall be responsible for all costs associated with maintaining and replacing all damaged or missing recycling containers. It is understood that recyclable containers generally come with a 10-year warranty, for parts only. The Municipality may include container maintenance responsibilities and costs in their collection contracts.

**2. Transportation of Recyclables (Direct Haul).**

(a) Delivery to Milwaukee. The Municipality shall, through their collection contract, require: 1) all recyclables to be hauled directly to the Joint MRF located at 1401 W. Mt. Vernon Ave, Milwaukee in accordance with County protocol; and 2) the hauler to coordinate with the City and the Joint MRF operator the delivery of recyclables to the Joint MRF at times that maximize efficiencies at the scale and tip floor and minimize traffic back-ups. In the event the Joint MRF is unable to accept recyclables beginning January 1, 2015, the Contractor shall deliver recyclable materials to an alternate location for a designated time, as directed by the County, at no additional cost to the Municipality.

(b) County Financial Support. By June 1<sup>st</sup> of each year, the County shall provide the Municipality [\$0.xx] per household per month (times 12 months) to offset additional costs to the Municipality for hauling recyclables directly to the Joint MRF compared to delivering to the Waukesha County MRF at 220 South Prairie Avenue, Waukesha. Said payment shall be based on, and adjusted annually in accordance with, the Municipality's executed collection contract, not to exceed the average costs and adjustment rate methodology in the 2014 County Collection RFP #1427. *[Note: The County methodology for annual rate adjustment uses the Consumer Price Index and Fuel Index (for diesel only), following ratios identified by the hauler. For details, contact Waukesha County Land Resources Division.]*

**3. Miscellaneous.**

(a) Authority and Responsibilities. Nothing in this Agreement forfeits any RU rights and responsibilities of the County, or any other Municipality or County authorities under state or local laws. The County remains responsible for implementing a recycling education program for residents

of the Municipality and for complying with other requirements of an "effective recycling program" under Chapter 544 Wisconsin Administrative Code.

(b) Record Keeping and Reporting. The Municipality shall keep records and, through an Internet-based County reporting system, provide annual data required to complete DNR Recycling Grant application and annual reports within County deadlines. The Municipality shall, through their collection contracts, require their hauler to keep records and provide the necessary data and reports to the County to administer this Agreement and maintain compliance with applicable state or local codes, program rules, and the County protocol for delivery of recyclables to the Joint MRF. This includes, but is not limited to, providing up-to-date information on haul routes, collection days and times, and vehicles used to collect recyclables. The Municipality shall also provide the County a copy of their current collection contract and any future amendments.

(c) Collection Contract Compliance Requirements. The Municipality shall include the attached Schedule 2 in their collection contract, which describes the hauler requirements contained in this Agreement. *[Note: Schedule 2 is taken from the Sample Collection Contract provided by the County under the 2014 County Collection RFP #1427.]*

(d) Future Dividend Payments. It is understood that future County recycling dividend payments to the Municipality, above those described in this Agreement, are dependent on recycling markets, processing contracts and the program fund balance. The County will notify the Municipality at least one (1) year prior to any proposed reduced budget for dividend payments.

4. **Effective Date and Term.** Upon execution by both parties, this Agreement shall become effective on [January 1, 2015 or other date of the Municipality executing a single sort recycling collection contract], and shall remain in effect until January 1, 2025, unless otherwise terminated in writing by either party upon a one (1) year notice to the other party.

**WAUKESHA COUNTY:**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Dale R. Shaver, Director - Department of Parks and Land Use

**MUNICIPALITY NAME:** \_\_\_\_\_

Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_

Printed name/title: \_\_\_\_\_

## Schedule 2

### **COLLECTION CONTRACT COMPLIANCE ITEMS RELATED TO WAUKESHA COUNTY FINANCIAL SUPPORT FOR RECYCLING CONTAINERS AND DIRECT HAUL**

The Contractor shall comply with the provisions below, which are required to maintain eligibility for annual payments from Waukesha County ("County") through an intergovernmental agreement (IGA). The purpose of the IGA is to provide County financial support to the [insert Municipality name] or Local Unit of Government ("LUG") for recycling containers and the direct haul of recyclables to the Joint City/County MRF in Milwaukee ("Joint MRF"). In case of conflict with other provisions of this Contract, this Schedule shall prevail.

#### **A. Recycling Container Provisions**

1. Recycling Container Standards. All recycling containers shall be for single sort recycling and shall meet County standards for in-mold educational labeling, identifying recyclable and non-recyclable/hazardous materials. All containers shall have a 10-year warranty.
2. Distribution and Use of Recycling Containers. Contractor shall, by the dates specified in this Contract, distribute recycling containers to each household/unit served under this Contract. Contractor shall ensure these containers are only used for recycling. Contractor shall notify any non-complying household/unit at the time non-compliance is observed, and shall track and report a summary of non-compliance to the LUG monthly.
3. Distribution of Educational Materials. Contractor shall attach educational materials to the top of each recycling container upon delivery of the containers, as noted above. The educational materials will be provided to the Contractor by the County at no cost to the Contractor.
4. Contractor Report on Containers. Contractor shall provide the County an annual (calendar year) report by February 1 each year on the number and size(s) of recycling containers used within the LUG, including the number of households/units that were provided two 32-gallon recycling containers.

#### **B. Direct Haul Provisions**

1. Direct Haul. Contractor shall deliver all recyclable materials collected under this Contract to the Joint MRF at 1401 W. Mount Vernon Ave., Milwaukee, WI.
2. Delivery Protocol. Contractor shall coordinate delivery times with the City of Milwaukee and the Joint MRF operator (i.e., ReCommunity) to maximize efficiencies at the truck scale and tip floor and minimize traffic back-ups. For all recyclable deliveries to the Joint MRF, Contractor shall comply with County Protocol, which is subject to periodic updates to meet the stated intent.
3. Record Keeping and Reports. Contractor shall keep records and provide all requested data and reports to the County as needed to administer the IGA and maintain compliance with applicable state or local codes, program rules, and the protocol for delivery of recyclables to the Joint MRF. This includes, but is not limited to, providing up-to-date information on haul routes, collection days and times, and vehicles used to collect recyclables.
4. Alternate Processing. In the event the Joint MRF is unable to accept recyclables beginning January 1, 2015, the Contractor shall deliver recyclable materials to an alternate location for a designated time, as directed by the County. [Note: Any additional transportation and processing costs will be covered by separate contract with the County or the Joint MRF operator.]