



Agenda Action Form Overview

The Board is requested to authorize the County Manager to increase funding for the interlocal agreement with the City of Durham in the amount of \$140,000, for a total amount of \$350,000 for the City to provide recycling processing and haul services to Durham County for target recycling materials.

Background/Justification

The County originally entered into this interlocal agreement with the City in 2016. The agreement allows the County to bring recyclables from our curbside and convenience site recycling programs to the City's Transfer station. The City then arranges for the transportation of the County's recyclables to the City's processor, Sonoco Recycling in Raleigh. This helps keep our hauling costs low because it reduces the time and distance the recycling trucks must travel to empty their loads, since they are traveling within Durham rather than from Durham to Raleigh and back.

The City charges the County a tipping fee for each ton of material. That tipping fee is made up of a fixed rate that allows the City to recover the costs associated with the loading and transporting of the recyclables to Raleigh, and a variable rate charged by Sonoco based on monthly market rates. Due to changes in the global recycling markets, Sonoco opted not to renew their previous contract with the City for FY21. The formula used to determine Sonoco's rates in the new contract resulted in significantly higher fees. In FY21, the total tipping fee has varied from \$92.71 to \$124.62 for an average of \$107.27. In comparison, the average tipping fee from FY20 under their previous agreement was \$72.22.

When the Funds Reservation was set for FY21, it was not known how high the new rate would fluctuate, so the funds reservation was kept at the previous year's amount of \$210,000. Based on the information we have gathered during the first six months of this fiscal year, we have determined that we will need additional \$140,000 to continue processing recyclables for the remainder of FY21.

The current request will not amend the interlocal agreement with the City of Durham. All the terms and tonnage fees shall remain unchanged as approved by the Board of County Commissioners on May 26, 2020.

Funding for this request will come from Solid Waste's contracted services line.

Policy Impact

This agenda item is consistent with historical Board of County Commissioner support for environmental initiatives including recycling. This action does not require BOCC policy changes.

Procurement Background

Type of purchase

- ☐ Goods
- ☒ Services



Durham County Government
Agenda Action Form Supplemental Document – Contract Approval

- ☐ Architect, Engineer or Surveyor Services
- ☐ Construction and Repair

Did this request for purchase go through a bid process? Yes ☐ No ☒

Goods: Bids required if $\geq \$30,000$, BOCC approval if $\geq \$90,000$

Services: Bids required if $\geq \$30,000$, BOCC approval if $> \$40,000$

Construction/Repair work: Bids required if $\geq \$30,000$, BOCC approval if $\geq \$500,000$

If yes, attach a copy of bid tab and the minority and women business enterprise (MWBE) compliance review form provided by the Purchasing Division.

If no, why?

- ☐ Sole source exemption
- ☐ Cooperative purchasing program exemption
- ☐ State and federal contract exemption
- ☐ Contract is an amendment to an existing contract
- ☒ Other (please explain)

If exempted from bidding, has this request been reviewed and approved by the Purchasing Division in the agenda Legistar system? Yes ☐ No ☒

If no, why? There will not be any changes made to the interlocal agreement. All tonnage fees and terms will remain unchanged. The request for additional funding is based on analysis of the first six months under a new fee structure.

Fiscal Impact

Funding for this request will come from Solid Waste's contracted services line.

Recommendation

The County Manager recommends that the Board authorize the County Manager to increase the interlocal agreement with the City of Durham in the amount of \$140,000, for a total interlocal agreement amount of \$350,000 for the City to provide recycling processing and haul services to Durham County for target recycling materials and to execute future increases if within Solid Waste's contracted services fund.