CH
08/11/2016
Item No. 16.

AN ORDINANCE 2016-08-11-0601

AMENDING THE RECYCLING PROCESSING AGREEMENT WITH RIVER RECYCLING, LLC, D/B/A RECOMMUNITY, TO ADDRESS EXCESS DIAPER CONTAMINATION IN THE RECYCLING STREAM AND RELATED ISSUES, WITH THE ADDITIONAL COSTS FUNDED BY THE SOLID WASTE OPERATING FUND

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WHEREAS, on June 6, 2013, the City Council approved Ordinance 2013-06-06-0399, which selected River Recycling LLC, d/b/a ReCommunity, to provide recycling processing services and authorized a contract pursuant to the City's Request for Proposal for "Recycling Processing Services" (RFP 13-001) issued on December 7, 2012; the Integration Agreement was executed by the City on July 25, 2013; and

WHEREAS, the Parties have agreed to amend the Contract to address issues concerning the date for the completion of the second materials recovery facility or transfer station, excess diaper contamination in the recycling stream, Quarterly Single Stream Curbside Recycling Audits, the replacement of the index values and an excess residue transportation rate; and

WHEREAS, the RFP and the Agreement required the completion by the Contractor of a second material recovery facility or transfer station by August 1, 2016; this date will be extended to August 1, 2017, in order to allow for the construction of the second facility; and

WHEREAS, this Amendment provides for the City to reimburse the Contractor to compensate for unanticipated expenses associated with excess diapers in the recycling stream by establishing a new Diaper Tip Fee which shall not be applied to the Carryover Credit but shall be paid on all City input tons starting August 1, 2016 and continuing until the diaper contamination flow is under five pounds per hour over three consecutive quarterly audits (covering a six month consecutive period), along with a one-time payment by the City to the Contractor of $659,850.00 to cover past expenses; and

WHEREAS, quarterly commodity audits are required and the Parties agree to engage an independent third party auditor to oversee the quarterly commodity audits, for a one year period after the date of this Amendment, at the San Antonio facility to ensure contract terms are complied with; the City will pay for the costs of the independent third party auditor; and the Parties would be bound by the auditor's determination; and

WHEREAS, the individual commodity sales values are currently based on the higher of either the actual sales price or a selected index value contained in the RFP; because the selected index values are no longer available, the Parties agree that new index values shall be selected; and

WHEREAS, the RFP provided that the selected Respondent shall transport and dispose of residue and the City shall reimburse the Respondent for disposal of residue in excess of 15%; Addendum 3 to the RFP clarified that transportation expenses for residue in excess of 15% was

not included, but may be subject to negotiation; starting August 1, 2016, the City will reimburse ReCommunity a rate of nine dollars ($9.00) per ton for transportation of residue in excess of 15%, in addition to the current average disposal rate of $22.91 per ton; this residue reimbursement payment (the transport rate plus the average disposal rate) shall not be applied to the Carryover Credit; and

WHEREAS, this Ordinance authorizes and approves the amendment to the recycling processing agreement with River Recycling, LLC, d/b/a ReCommunity, to address issues concerning the transfer station, excess diaper contamination in the recycling stream, Quarterly Single Stream Curbside Recycling Audit procedures, the replacement of index values and establishing an excess residue transportation rate, with the additional costs of the amendment funded by the Solid Waste Operating Fund; **NOW THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The current contract for recycling processing services with River Recycling, LLC, d/b/a/ ReCommunity, is amended by providing an additional year for the second facility to be available; by increasing the contract value by an additional amount for the new Diaper Tip Fee and a one time payment of $659,850.00; by modifying the quarterly audit procedures; by replacing the index values which are no longer available; and by establishing an excess residue transportation rate. The City Manager, or her designee, is hereby authorized to execute the contract Amendment and all documents necessary to effectuate the purposes of this Ordinance. A copy of the contract Amendment is attached as **Exhibit "A"** and made a part hereof and incorporated herein for all purposes. The execution authority granted herein shall expire 60 days after the effective date of this Ordinance.

SECTION 2. Funding in the amount up to $860,000.00 for this ordinance is available in Fund 55001000, Cost Center 5501010001 and General Ledger 5201049, as part of the Fiscal Year 2016 Budget.

SECTION 3. Additional funding in the amount up to $1,200,000.00 for this ordinance is contingent upon City Council approval of the Fiscal Year 2017 Budget for Fund 55001000.

SECTION 4. Payment not to exceed the budgeted amount is authorized to River Recycling, LLC d/b/a ReCommunity and should be encumbered with a purchase order. All expenditures will be in accordance with the Fiscal Year 2016 and subsequent budgets that fall within the term period of this contract approved by City Council.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall become effective immediately upon passage by eight (8) or more affirmative votes or, if passed by fewer than eight (8) affirmative votes, shall be effective ten (10) days after passage.

PASSED and APPROVED this **11th** day of **August**, **2016**.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

for **Martha G. Sepeda, Acting City Attorney**

Agenda Item:	**16**
Date:	08/11/2016
Time:	12:44:36 PM
Vote Type:	Motion to Approve
Description:	An Ordinance amending the recycling processing agreement with River Recycling, LLC, D/B/A ReCommunity, to address diaper contamination in the recycling stream, quarterly single stream curbside recycling audit procedures, the replacement of index values and an excess residue transportation rate. [Peter Zanoni, Deputy City Manager; David W. McCary, Director, Solid Waste Management]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				
Alan Warrick	District 2		x				x
Rebecca Viagran	District 3		x			x	
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7	x					
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				