



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Details (With Text)

File #:	RES 18-236	Version:	1	Name:	Approve Amendment to Contract With Walters for Recycling
Type:	Resolution	Status:		Status:	Passed
File created:	12/20/2018	In control:		In control:	City Council
On agenda:	12/20/2018	Final action:		Final action:	12/20/2018
Title:	AMEND CONTRACT WITH WALTERS RECYCLING AND REFUSE, INC. FOR SOLID WASTE AND RECYCLING PROCESSING				
Sponsors:	Joe Huss				
Indexes:					
Code sections:					
Attachments:	1. 2016-2021 REVISED Redlined Recycling and Garbage Contract - Walter's, 2. 2016-2021 AMENDED Recycling and Garbage Contract - Walter's				

Date	Ver.	Action By	Action	Result
12/20/2018	1	City Council	Adopted	Pass

ADMINISTRATION - *Joe Huss. Finance Director*

AMEND CONTRACT WITH WALTERS RECYCLING AND REFUSE, INC. FOR SOLID WASTE AND RECYCLING PROCESSING

At the October 11, 2018 Workshop, representatives from Walters Recycling and Refuse updated the City Council on a number of issues that are occurring in the solid waste and recycling field, including the collapse of recycling markets for material collected and processed in the US. These changes in the recyclables markets have forced Walters to pay a substantial commodity charge to offload collected recyclable materials.

At the December 13 Workshop, Council discussed and considered Walters' request to reopen and revise the current agreement to better align the agreement with the realities of the recycling market. The attached reflects those changes that were conceptually approved by Council at the Workshop.

To review:

The contract is being amended pursuant to Section 4.6 of the current contract, wherein the event of a substantial market change in any of the Recyclable Material commodity prices allows either party to the contract to request to reopen negotiations for the amount per month charged for Recycling Collection services.

Under the current contract, the Contractor (Walters) is responsible for the marketing of all recyclable materials collected and retains all sales proceeds from marketing recyclables. With

changes in the recycling markets resulting in a net fee for the disposal of recycling material, the attached draft proposes a change wherein Recycling Collection would work in substantially the same manner as Garbage and Refuse disposal with the City paying the cost to market or dispose of recyclables. Per the proposed change, the *Contractor shall pay to the City all of the proceeds it receives from the applicable recycling facility, if any, arising from the Recyclable Materials it delivers to such facility pursuant to the terms of this Agreement (“**Recycling Proceeds**”) and to the extent such Recycling Proceeds are less than disposal fees arising from the disposal of the Recyclable Materials, the City shall pay Contractor the net disposal fees relative to the same.*

Currently, the fee being charged to Walters is about \$32 per ton. Per the proposed amendment this fee would be passed through to the City, resulting in an estimated annual cost of \$160,000. This fee has been incorporated into the 2019 Sanitation Fund Budget.

By motion, adopt the following resolution to amend the contract with Walters.

WHEREAS, substantial changes have occurred in the global recycling markets; and

WHEREAS, these changes have resulted in a devaluing of recyclable material; and

WHEREAS, the changes have forced recycling haulers to pay a substantial commodity charge to offload collected recyclable materials; and

WHEREAS, Walters Recycling and Refuse, Inc. has requested the reopening of the agreement between Walters and the City of Blaine pursuant to Section 4.6 of the agreement currently in place; and

WHEREAS, the proposed changes would cause the payment to recycle materials to be handled in the same manner as is provided in the contract for solid waste disposal; and

WHEREAS, the City Council has reviewed the amended contract and is in favor of the proposed amendments.

NOW, THEREFORE, BE IT RESOLVED, that the Blaine City Council authorizes the Mayor and City Manager to execute the amended contract as proposed.

PASSED by the City Council of the City of Blaine this 20th day of December, 2018.