

**City of Culver City, California
Agenda Item Report**

Meeting Date: 07/28/2014	Item Number: C-3
CITY COUNCIL AGENDA ITEM: Approval of Agreements with Bestway Recycling, Inc., Allan Company, and CR&R to Purchase Recyclable Material from the City for a Period of Six Months as Part of a Pilot Program.	
Contact Person/Dept.: Cathi Vargas/PW	Phone Number: (310) 253-6411
Fiscal Impact: Yes ☒ No ☐	General Fund: Yes ☐ No ☒
Public Hearing: ☐	Action Item: ☐ Attachments: ☐
Commission Action Required: Yes ☐ No ☒ Date: _____	
Public Notification: (Email) Agenda and Meetings – City Council (07/23/2014); (E-Mail) Sustainability and Environmental Issues (07/23/14)	
Department Approval: Charles D. Herbertson (07/18/14)	City Attorney Approval: Carol Schwab (by H. Baker) (07/18/14)
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (07/22/14)	City Manager Approval: John M. Nachbar (07/23/14)

RECOMMENDATION:

Staff recommends the City Council approve agreements with Bestway Recycling, Inc. (Bestway), Allan Company, and CR&R to purchase aluminum, paper, glass, corrugated cardboard, and plastics (recyclable material) from the City for a six month period as part of a pilot program.

BACKGROUND:

The Public Works Department's Environmental Programs and Operations Division (EPO) operates an exclusive franchise to collect, transfer, and haul solid waste and recyclable material within the City of Culver City. EPO also plans and implements waste diversion programs that divert recyclable material from ultimate disposal in a landfill.

Recyclable material collected through EPO's collection operations is sold to Bestway, a Material Recovery Facility (MRF) located approximately 2 blocks east of the City's transfer station. Recently, Bestway notified staff that it needs to reduce the amount of money it pays the City for recyclable material from \$42 per ton to \$30 per ton. Bestway cited the significant decrease in newsprint in the City's recyclable material as the reason for the reduction.

DISCUSSION:

Bestway has been an optimal partner for EPO's collection operations because of its close proximity and short wait times; however, staff would like to explore other recycling processors that may be willing to pay more for the City's recyclable material.

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Staff has found that there are few companies that are located within a reasonable distance from the transfer station that provide a comparable level of service as Bestway; however, two companies, Allan Company and CR&R, have been identified as possible options. Taking recyclable material to either processor may not be feasible from a logistics perspective, so staff would like to conduct a Pilot Program that would allow for some material to be sold to all three processors over a six month period.

Recyclable material sold to Allan Company, an MRF located in Santa Monica, would be delivered by the City's collection vehicles. Transportation time, facility accessibility and capacity would be major considerations in using this facility over a longer term. Additionally, recycling collection routes may need to be restructured in order to minimize overtime caused by longer truck trips.

Recycling Material sold to CR&R Inc., an MRF located in Stanton, would be delivered to the City's transfer station prior to being transported to Stanton via tractor/trailer. The City is currently under contract with CR&R for use of the transfer station to load and transport recycling material delivered by the City of Los Angeles. As a result, recyclable material collected in Culver City would be mixed with recyclable material generated in the City of Los Angeles. Factors to consider for this option include: increased wait times at the transfer station for all collection routes and impact to transfer station floor operations.

CR&R has agreed to provide the City with quarterly characterization studies of the City's recyclable material. These studies would analyze the City's material and assign percentages to commodities such as: bottles, cans, glass, newsprint, cardboard, and trash. The information provided from these studies would be useful in analyzing the effectiveness of the City's recycling program.

FISCAL ANALYSIS:

EPO, on average, collects and recycles 4,500 tons of recyclable material annually. By entering into agreements with Bestway, Allan Company, and CR&R, the Refuse and Recycling Enterprise Fund would generate up to \$94,500 during the six month pilot program. Additionally, EPO would avoid approximately \$85,500 in transfer and disposal costs by recycling the material.

ATTACHMENTS:

None.

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MOTION:

That the City Council:

1. Approve an agreement with Bestway Recycling, Inc. to purchase recyclable material, from May 1, 2014 – January 31, 2015, at a price of \$30 per ton for commingled recycling material and 70% and 90% Official Board Markets (OBM) for corrugated loose and baled cardboard respectively; and,
2. Approve an agreement with CR&R, Inc. to purchase recyclable material, from August 1, 2014 – January 31, 2015, for \$30 per ton for commingled recycling material with a potential increase of \$7-\$10 per ton after characterization studies are performed; and,
3. Approve an agreement with Allan Company, Inc. to purchase recyclable material, from August 1, 2014 – January 1, 2015, for \$42 per ton for commingled recycling material; and,
4. Authorize the City Attorney to review/prepare the necessary documents; and,
5. Authorize the City Manager to execute such documents on behalf of the City.