



Public Works Department

**SOLID WASTE AND RECYCLING SERVICES**

1 N. University Drive, Suite 400 • Plantation, Florida 33324 • 954-765-4999 • FAX 954-577-2391

Date: June 28, 2018  
To : John Torrenga, Purchasing Division  
From: Notosha Austin, Solid Waste and Recycling Services *NA*  
Re: Bid No. G0924908B1/Amendment No. 2  
Solid Waste and Recycling Services for Unincorporated Broward County

Solid Waste and Recycling Services (SWRS) manages the collections of solid waste and recyclable materials for unincorporated Broward County for approximately 4,200 residential units. Our contracted hauler, Waste Pro, is responsible for the collections and the processing of these recyclable materials which include items such as paper, cardboard, cans, plastic and glass bottles (single-stream). Our pay structure for these materials is based on an adjusted market value (AMV) of program recyclables multiplied by the composition percentages of the recyclable materials. Net revenue payments include a fixed processing fee of \$50 per ton which is deducted from the AMV, and Waste Pro pays the County 43% of the remaining amount for each ton of recyclable materials. Rebates are made based on RecyclingMarkets.net/Southeast USA region's commodity prices per ton first posted in the month for which payment is being made.

The processing fee presented at the time of this agreement was deemed fair and reasonable based on current industry trends. However, recent nationwide issues related to the cost of recycling and decreasing revenues have emerged. The current processing fee presented to County by Waste Pro (via recycling processing facility) is \$115 per ton. This increase for processing fees alone does not take into account the precipitous decline in commodity values for recyclables.

SWRS continues to follow recycling markets and trends as a customary part of business operations and due diligence. China, as the primary driver of worldwide market prices, has implemented tighter restrictions on recyclable materials coming from the U.S. This has driven up processing fees from \$0 to \$175 per ton for recycling material the state of Florida. We have witnessed a steady decline in commodity prices for recyclables and concur that this is a real problem – not just for our program, nor countywide, but nationally. Recent articles in the Sun-Sentinel addressed this very issue. Additionally, this issue has also been a point of discussion as part of a consultant study on recycling led by the County. Attached is a letter from Waste Connections, Inc., the recycling processing facility, informing our contractor of the rate increase for processing with no rebate opportunities for the County's single-stream recyclables.

It is our position that this issue is beyond the control of our contract hauler, and where we may normally advise our collection hauler to branch out further to explore and recoup better market prices for our materials, we understand that this is not a viable option. Indicators show little to no signs of improvement in the not-so-distant future. This notion was further cemented after attending a recycling conference in June 2018.

Recognizing the collection of residential recycling as an environmental, contractual, and an operational necessity, SWRS proposes to pay the processing fee increase to continue to have materials recycled and not disposed of. SWRS will also review the option to piggyback off of a recent municipal agreement for recyclables processing that may be more advantageous to the County.

It should be noted that other Broward municipalities are experiencing the same issues with their recycling programs and are making similar requests.

This contract will expire on December 31, 2018 and is currently going out for bid.

June 1, 2018

Re: Waste Pro  
Unincorporated Broward Recycling  
Recycling Processing Fee  
Rate Increase

Dear Russel,

I've tried to reach you a couple times by phone and through your office with the intention of speaking to you about the current state of the recycling market in South Florida, and specifically non-contracted recycle volumes collected by Waste Pro vehicles servicing unincorporated Broward County and communities in Miami-Dade County disposing at Waste Connections facilities. This notice serves as communication to Waste Pro of changes we are making to our recycling Processing Fees. Effective June 16, 2018, the rate to process those volumes will increase to \$115 per ton with no rebate.

As you are well aware of drastic declines in demand and price for Mix Paper, which makes up the largest portion of material in Residential Single Streams flowing into MRFs across the country, the price changes we are making are required to maintain sustainable operations.

If you would like to discuss other options for these materials I am willing to discuss them with you. Please feel free to contact me should you have any questions.

Sincerely,

  
John Heinemann  
District Manager  
South Florida