



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 6, 2018
To : John Torrenga, Purchasing Division
From: Notosha Austin, Solid Waste and Recycling Services *NA*
Re: Bid No. F1261301B1, Recycling Services for Government Facilities and Parks

Solid Waste and Recycling Services (SWRS) manages the collections of recyclable materials from over 100 government facilities including the Ft. Lauderdale – Hollywood International Airport, County parks and courthouses. Our contracted recycling hauler, Sunshine Recycling Services (SRS) is responsible for the collections and the processing of these recyclables which include corrugated cardboard, scrap metals and single-stream recyclable materials (paper, bottles, and cans). Our fixed rate pay structure for these materials are \$90/ton for cardboard and \$150/ton for scrap metals. We receive an automatic monthly credit of \$2,062.50 deducted from our invoice; this credit represents the estimated monetary value for single-stream materials at the time of bid.

Though per ton rates as proposed by the potential vendor were fair and acceptable at the time of their bid in 2014, recent nationwide issues related to the cost of recycling and decreasing revenues have emerged. SRS has expressed that due to the precipitous decline in commodity values for recyclables and the rapid increase in processing fees, a financial hardship has been placed on the company to continue to pay the County a net revenue at the current fixed rates for cardboard and single-stream.

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 associated with this contract and directly impacting the credits we receive for our materials. 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 are letters from Broward recyclable processors to SRS notifying of rate increases for processing of single-stream materials and rate decreases for cardboard.

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.

SWRS would like to propose the following alternatives as a means of payment by SRS for cardboard and a recognized deduction for single-stream recycling and processing. The vendor shall utilize the first published monthly price of the Southeast USA regional high commodity prices for corrugated cardboard posted on RecyclingMarkets.net beginning on July 1, 2018. The monthly market commodity values will be averaged quarterly to establish a net revenue value in which the vendor shall utilize to make subsequent monthly payments to the County for the ensuing three (3) consecutive months. The net value paid to the County shall be capped at \$90 per ton, which is the current contract rate.

The composition of the government single-stream recyclables is comprised mostly of office/mixed paper with trace amounts of aluminum cans and plastic bottles. Due to the drastic decline of market prices for mixed paper, no revenues are anticipated at this time. Therefore, we propose to analyze the mixed paper market index on a quarterly basis using prices listed on RecyclingMarkets.net throughout the remainder of this contract term. Should the quarterly average for mixed paper remain below \$50 per ton, then the credit of \$2,062.50 shall be used by SRS to offset all processing fees associated with the handling of our recyclable materials. Should the quarterly average for mixed paper reach \$50 per ton, then the full recycling credit of \$2,062.50 shall be reinstated.

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

Calhoun, Christine

From: Rick Rubio <rick.rubio@srsfl.com>
Sent: Wednesday, April 18, 2018 3:09 PM
To: Austin, Notosha
Cc: Rory Amundsen
Subject: Depressed Commodity Prices

Follow Up Flag: Follow up
Flag Status: Completed

Notosha,

As we discussed in our last meeting, the prices for OCC and Singles Stream has crashed. Please refer to the link below.

The South Florida market price for loose OCC in March was \$60.00 per ton.

The processing fee for SSR materials has increased from \$0.00 tip fee to \$45.00 per ton charge.

Consequently, it has made it impossible for us to continue to rebate as set forth in your Solicitation F1261301B1.

Therefore, regretfully, we can not pay Broward County for the OCC loads at a rate of \$90.00 per ton nor credit \$ 2062.50 month for single stream materials.

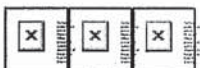
However, we will pay the County the rate we receive from Westrock which was \$60.00 per ton for the month of March.

<https://resource-recycling.com/recycling/2018/04/10/what-depressed-occ-means-for-the-recycling-industry/>

Respectfully,



Rick Rubio | SRS- Southeast District Manager | C:954-740-0844 | O:800-390-9598 | F:800- 390-9575



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Rick Rubio <rick.rubio@srsfl.com>

**SRS (SUNSHINE RECYCLING) WM RECYCLING SUN 11 - COMMERCIAL SINGLE
STREAM RATE**

Cinelli, John <Jcinelli@wm.com>

Thu, Apr 5, 2018 at 3:18 PM

To: "rick.rubio@srsfl.com" <rick.rubio@srsfl.com>

Cc: "Orr, Matthew" <morr1@wm.com>, "Caldararo, Kenny" <KCaldara@wm.com>, "Opton, Vikki" <VOpton@wm.com>

Good afternoon Rick,

As per our phone conversation this afternoon, this email confirms our understanding of the new rates for the "Commercial Single Stream Material you bring to the Sun 11 Deerfield Beach facility.

WM - SUN 11 - 3250 SW 50th Ave., Davie FL 33314

CLEAN - COMMERCIAL SINGLE STREAM: \$20.00/Ton.

CONTAMINATED - COMMERCIAL SINGLE STREAM : \$40.00/Ton.

Thank you again

Best Regards

John Cinelli

Mgr Third Party Sales

jcinelli@wm.com

Waste Management

2380 College Avenue

Davie, FL 33317

Cell: 954 347 2506

Recycling is a good thing. Please recycle any printed emails.

Waste Management
1001 Fannin Street
Houston, TX 77002



T1 P2 121 *****AUTO**ALL FOR AADC 331
Sunshine Recycling Services Of SW Florid
3547 NW 49th St
Miami, FL 33142-3925



Dear Sunshine Recycling Services Of SW Florid
Important notice - Waste Management's Inbound Recycling Quality Policy

The recycling industry including Waste Management is experiencing high levels of contamination which is trash in the recycling. This is coming at a time when the requirements for quality (clean recycling) are increasing due to new policies in China. These policies have banned twenty-four types of materials and include strict quality standards.

In 2017, China began to limit the quantity of material it accepts for recycling and in 2018 added specific contamination limits set at 0.5%. These significant changes are affecting the recycling industry world-wide. As a result, our focus on quality is higher than ever, as we work to ensure the long-term sustainability of our recycling programs.

When non-recyclable items (contamination) end up in your recycling loads, they have the potential to turn the entire load into trash and increase processing costs resulting in contamination and/or additional service charges.



IMPORTANT: Moving forward you may be assessed contamination charges of up to \$175 per ton and/or increased processing fees for excess contamination found in your loads.*

Please join us in the battle against contamination and make sure when your recycling loads are delivered to one of Waste Management's transfer stations or a Material Recovery Facility (MRF) they are free of contaminants and follow the recycling do's and don'ts.

Recycling Do's	Recycling Don'ts
Do recycle all empty bottles, cans, paper and cardboard.	Don't bag your recyclables. Plastic bags and film get tangled in the machinery.
Do keep foods and liquids out of recycling.	Don't include food-soiled items - they can turn an entire load of recycling into trash.
Do keep plastic bags out of recycling.	Don't add sharp or dangerous materials like needles and electronics - they can cause injury to our workers.
	Don't toss in "tangles" like rubber hoses and wires - they can shut down an entire recycling center!
	Don't include bulky items like propane tanks or construction debris.

For additional tools on recycling right and the do's and don'ts of recycling, visit www.recycleoftenrecycleright.com.

* Charges and fees will be assessed in accordance with contract terms and conditions where applicable.



Bob Herzog
General Manager
3251 SW 1 Ter.
Ft. Lauderdale, FL. 33315
O 954-522-3684
robert.herzog@westrock.com

May, 21st 2018

To Whom it may concern,

OCC and paper commodity pricing has been severely impacted due to the Chinese government restrictions pertaining to quality as well as the trade restriction imposed by both governments. Pricing has dropped in the SouthEast \$55 per ton on the index in the last few months but in reality, pricing and the ability to move OCC tons has caused the pricing to drop even further. Presently mill buyers are not looking to purchase OCC collected from FEL and compactor routes due to over contamination. Sunshine Recycling's price for clean OCC over the past few months are below.

Feb \$80

Mar \$60

Apr \$50

May \$45

June's prediction are for another decrease in OCC prices

Sincerely,

Bob Herzog