



Welcome to
Northeast Resource
Recovery Association's

Summer Webinar Series
Prequel

Best Practices for
Negotiating Municipal
Contracts for Waste,
Recycling & Composting
Part 1

Need Professional Credits?



- Receive 1.25 hours of credit for NH Solid Waste Operators from NHDES for viewing this webinar.
- Webinars are recorded and made available for those who registered.
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- Visit our website at: nrra.net



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Registration:
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Operator Track - Wednesdays 9:00 am - 10:00 am		
Date	Webinar	Presenters
June 24, 2020	Recycling Markets Update	Chaz Miller, Miller Recycling Associates
July 8, 2020	BMPs for Managing eWaste at NH Transfer Stations	Tara Albert, NHDES
July 15, 2020	The Battery of Things: Lithium Battery Safety	Sean Plasse, Call2Recycle
July 22, 2020	Disposal Capacity	Mike Nork, NHDES; John Fischer, MADEP; and Jeff Bourdeau, VTDEC
July 29, 2020	Using Processed Glass Aggregate in Road and Infrastructure Projects	Reagan Bissonnette and Maddie Dilonno, NRRA
August 5, 2020	Legislative Updates	Josh Kelly, VTDEC; Ariela Lovett, MA Mun. Assoc.
August 12, 2020	Educate, Don't Contaminate! A Toolkit to Clean up Recycling	Lucy Perkins and Matt Grondin, ecomaine
	Break	
August 26, 2020	Extended Producer Responsibility	Terri Goldberg, NEWMOA; Megan Pryor, MEDEP
September 2, 2020	Tricks of the Trade	Ed Walsh, Rollinsford, NH and others
September 9, 2020	MA Mattress Recycling Incentive Grant Program	Rachel Smith, MADEP

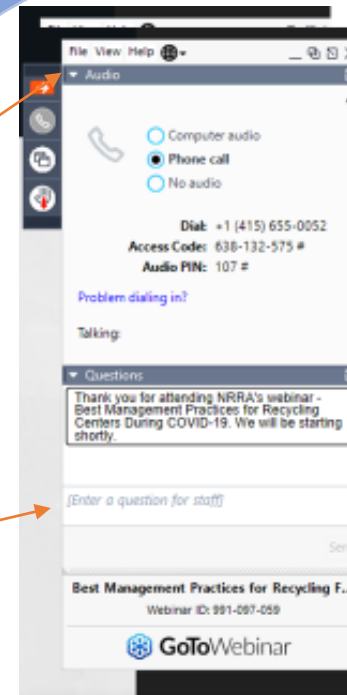
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Educator/Community Track - Fridays 12:00 - 1:00 pm		
Date	Webinar	Presenters
June 26, 2020	Optimizing Our Recycling Education and Outreach Efforts	Erin Victor, MADEP
July 10, 2020	Refill Not Landfill	Marc Morgan, Lebanon, NH; Emily Rogers, Lebanon Food Co-op
July 17, 2020	REUSE! Because You Can't Recycle the Planet	Alex Eaves, Stay Vocal, The Reuse! Documentary
July 24, 2020	Food: Too Good to Waste	Brenna Toman, CVSWMD
July 31, 2020	The Messy Truth about Garbage	Cindy Sterling, NRRA
August 7, 2020	The 6th R: Cultivating a Culture of Repair	Ollie Cultrara and Cassandra Hemenway, ACSWMD
August 14, 2020	Medical Waste: Needles, Pharmaceuticals, Vaping and More	Cindy Sterling, NRRA
August 21, 2020	Event Waste Reduction: Thinking Outside the Bin for Your Event Part I	Cindy Sterling, NRRA
August 28, 2020	We Need to Think About Clothing Differently	Joe Whitten, Apparel Impact
September 4, 2020	Cafeteria Sorting Stations	John Jose, CVSWMD
September 11, 2020	Event Waste Reduction: Styling Your Event Recycling Plan Part 2	Cindy Sterling, NRRA

GoToWebinar Setting the Table

- You will not be able to be heard by the presenters or other participants on GTW.
- If you cannot hear the presenters, click on audio and computer audio. If that does not work, try clicking on phone call.
- We hope you ask questions and the presenters will answer them if time allows. Click on Questions and keep it short!



Best Practices for Negotiating Municipal Contracts for Waste, Recycling & Composting

Part 1 June 17, 2020 - 9 to 10:15 am

Part 2 June 19, 2020 – 12 to 1:15 pm

Reagan Bissonnette,
Executive Director, NRRRA



Bonnie Bethune, Member
Services Manager, NRRRA



About NRRA

- Recycling nonprofit
- 400+ members,
primarily municipalities
- Founded nearly 40
years ago



Cooperative Marketing & Purchasing



- Enable communities to manage their own recycling programs
- 40 programs, including single stream and municipal solid waste
- Connect sellers of recyclables to purchasers



Education & Technical Assistance

- Workshops
- Facility tours
- Annual conference
- Technical assistance
- School Club programs



Agenda

- **Part 1 (Today)**
 - **General Contracting Principals**
 - **Municipal Solid Waste**
 - **Source Separated Recycling**
- **Part 2 (Friday)**
 - **Single and Dual Stream Recycling**
 - **Composting**



Why Have a Contract?

- Helpful for planning your budget
- Could just use spot market, but less favorable pricing
- Clarify responsibilities of each party
- Understand cost avoidance



What is Cost Avoidance?

- Recycling and composting can help avoid the higher cost of municipal solid waste disposal
 - Though not always true with single and dual stream recycling these days when market down
- Costs of landfilling and incineration will continue to rise
- Be able to compare “apples to apples” by use of full cost accounting

Know Your Market

- **Recommendation:** Conduct market research
- **Why?** Need to know if you're being offered fair pricing to effectively negotiate
- **Example:** NRRRA helped regional district in NH negotiate trash contract and save thousands because knew current market pricing

Pricing & Indexes

- **Recommendation:** Know current market pricing and trends; tie recycling contract pricing to indexes
- **Why?** Pricing will always fluctuate
- **Examples:**
 - www.recyclingmarkets.net
 - Pulp & Paper Index (PPI)
 - American Metals Market (AMM)
 - US Dept of Energy national average price of diesel fuel

NRRA Monthly Pricing Guide (Excerpt)

Sample Market Pricing for June 2020			
		Revenue / (Cost) Per Ton	
		Low	High
Plastic	#2 HDPE Natural (ex. Milk jugs)	\$540	\$740
Metal	Aluminum Cans	\$400	\$500
Fiber	Sorted Office Paper	\$123	\$150
Fiber	OCC(Cardboard)	\$60	\$100
Fiber	#8 Newsprint	\$3	\$55
Plastic	#2 HDPE Colored (ex. Detergent bottles)	(\$80)	\$40
Plastic	#1 - #7 Mix	\$30	\$40
Metal	Steel Cans	\$22	\$28
Fibers	Mixed Paper	(\$3)	\$15
Glass	Into Aggregate or Fiberglass	(\$75)	(\$40)
TRASH	MUNICIPAL SOLID WASTE	(\$120)	(\$70)

(assumes material baled and shipped in full loads)

Request for Proposals

- When do you have to use an RFP?
 - Communities set a monetary amount on when to put out an RFP
 - For example, anything over \$10,000
- Not all RFPs are created equal
 - *See Handouts: simple versus detailed RFPs*

How Compare RFP Responses?

- **Recommendation:** Drill down to cost or revenue per ton
- **Why?** Need to compare “apples to apples”
- **Example:** one NH municipality received very different proposals that were hard to compare without considerable data crunching

Additional RFP Resource

“Contracting 101”, NH Municipal Association
Town & City Magazine article

[https://www.nhmunicipal.org/town-city-
article/contracting-101](https://www.nhmunicipal.org/town-city-article/contracting-101)

Discusses public bidding process in NH

Questions?



Define Subject Materials

- **Recommendation:** clearly define what materials are subject to the contract
- **Why?** What may seem obvious to the municipality is not always obvious to the vendor
- **Example:**
 - Municipal Solid Waste
 - Construction and Demolition Debris
 - Recyclables

Length of Contract - Trash

- **Recommendation:** Longer term contracts for municipal solid waste
- **Why?** Ensure stability as prices continue to rise
- **Example:** One southwest NH community's tipping fee increased from \$67.50 to \$80/ton in contract up September 2020

Length of Contract - Recycling

- **Recommendation:** Shorter term recycling contract at this time
- **Why?**
 - Market down and changing rapidly
 - Tie pricing to index or cost/revenue sharing calculation if opt for longer contract
- **Example:** one single stream community's 3 year contract cost per ton recently from \$57.50 to \$145

Renewal of Contract

- **Recommendation:** Having contracts renew automatically for additional terms unless one party opts out
- **Why?**
 - Enables parties to continue contract without additional effort if satisfied with terms
 - Time intensive to negotiation new contracts frequently

Termination

- **Recommendation:** Make sure you have a way to get out, especially if the other party does
- **Why?** Expect that one party or the other might have a change of heart
- **Example:** Recent MA single and dual stream contract has clear right of termination for the materials recovery facility if minimum tonnage not met, but no out for municipalities

Sample Mutual Termination Clause

“Either party may, with or without cause upon ninety (90) days written notice, elect to terminate this Agreement without further liability hereunder, provided however that such terminating party shall continue to pay all fees and fulfill all of its obligations hereunder through the effective date of such termination.”



What if Things Go Wrong?

- **Recommendation:** Carefully review force majeure provision
- **Why?** Expect something to go wrong
- **Example:** Does the following cover a pandemic?
 - “No damages shall be due for a failure of performance due to Acts of God, war, government regulation, disaster, strikes, any one of which may make performance impossible.”

Special Considerations

- **Recommendation:** Consider if municipality has any special circumstances warranting unique provisions
- **Why?** It can't hurt to ask
- **Example:** busy seasonal community requires pickup within three hours of calling or haul fee is waived

Example: Busy Seasonal Community

“CONTRACTOR must remove material from site within three (3) hours of notification during normal business hours, Monday through Saturday. If notified after 1:00pm, material will be removed before opening of next business day (7:30 am). If CONTRACTOR fails to comply with the three (3) hour removal time three (3) times in a quarter, then any hauls over the three (3) hour limit will be at no charge. Such failure to comply shall constitute breach of contract and may result in termination of the contract, at the OWNER’S option.”

“There will be no fuel, environmental or any other charges beyond the haul fee in attachment A.”



Understand End Markets

- **Recommendation:** Know where your material is going and what happens to it there
- **Why?**
 - Ensure being environmentally responsible
 - Instills confidence and ownership in residents when staff can communicate this accurately
- **Example:** NRRA plastics vendor



Legal Review



- **Recommendation:** Ensure your attorney has experience reviewing solid waste contracts
- **Why?** Contracts for waste, recycling, and composting are unique and unlike other contracts

Inform Elected Officials

- **Recommendation:** Present status of programs to elected officials or municipal manager one to two times a year
 - Include detail, invite public, make available in writing
- **Why?** Important for decisionmakers to be informed how programs work and any expected or unexpected changes
- **Example:** NRRA invited to present for 15 minutes at council meeting; ended up answering questions for 1 hour



Questions?



Join us Friday

Best Practices for Negotiating Municipal Contracts for Waste, Recycling & Composting - **Part 2** **Single and Dual Stream Recycling** **Composting**

June 19, 2020 – 12 to 1:15 pm

Register Here:

<https://register.gotowebinar.com/register/7857894450869644303?source=NRRA+Webpage>



Thank You!

*This webinar was sponsored by
NHDES.*

*Please take the survey following
the webinar.*



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Summer Webinar Series – Next Week

Recycling Markets Update



*Chaz Miller, Chairman
Montgomery County, MD
Aiming for Zero Waste Task Force
Wednesday, June 24
9:00 to 10:00 am*

Optimizing Our Recycling Education and Outreach Efforts



*Erin Victor, MA Dept of
Environmental Protection
Friday, June 26
12:00 to 1:00 pm*