

Welcome to Northeast Resource Recovery Association's

Summer Webinar Series Prequel

Best Practices for Negotiating Municipal Contracts for Waste, Recycling & Composting Part 2

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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!







The webinar will begin soon!



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, NRRA Bonnie Bethune, Member Services Manager, NRRA









In Case You Missed It

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

June 17, 2020 – 9 to 10:15 am

Register Here for Recording:

https://register.gotowebinar.com/register/7857894450

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Agenda

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



Single versus Dual Stream

Single stream: All recyclables go into one bin



Dual stream: Containers separate from fibers





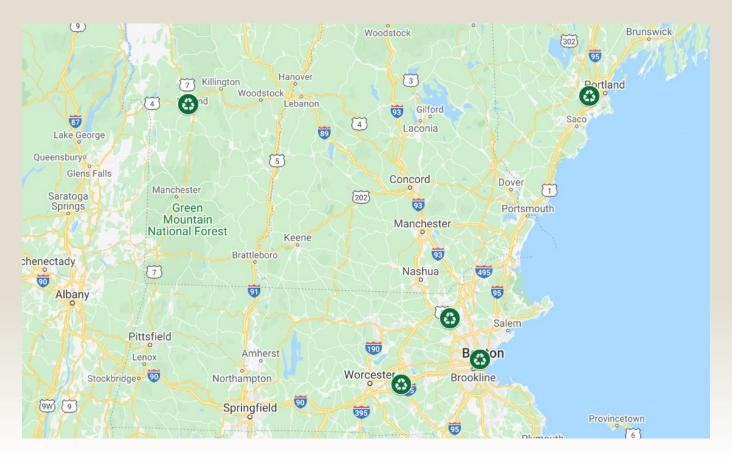


Materials Recovery Facilities (MRFs)

- Materials Recovery Facility: Facility that processes and sorts single and dual stream recycling into individual commodities for sale
- No commercial single stream MRFs located in NH
- Few options for vendors who handle single and dual stream in NH



Commercial MRFs Serving NH





Single or Dual Stream without Glass

- Recommendation: Ask if cost savings available if remove glass
- Why? Some MRFs offer financial incentives
- Example: Strafford VT pays \$35 per ton to take glass to NRRA Lebanon NH host site instead of \$121 per ton for dual stream



Single & Dual Stream Contracts

- Key contract provisions involve:
 - Hauling, equipment and processing costs
 - Contamination, residue and audits
 - Revenue or cost sharing
- But first, discuss markets

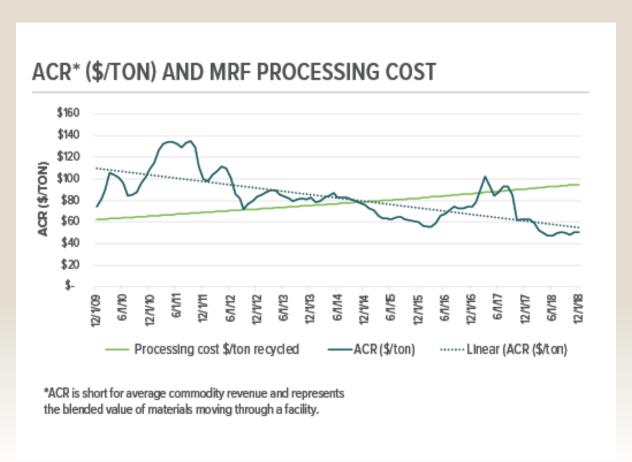


Know Your Market

- Recommendation: Conduct market research
- Why? Need to know if you're being offered fair pricing to effectively negotiate
- Example: NH community saw huge price increase for single stream but able to confirm consistent with market trends



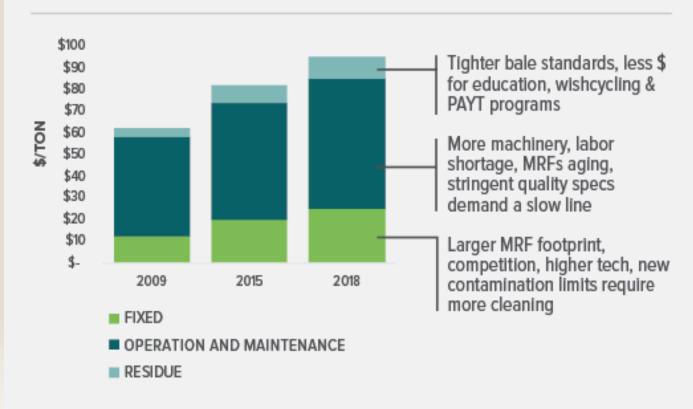
National Trends





Source: Resource Recycling Dec. 2019

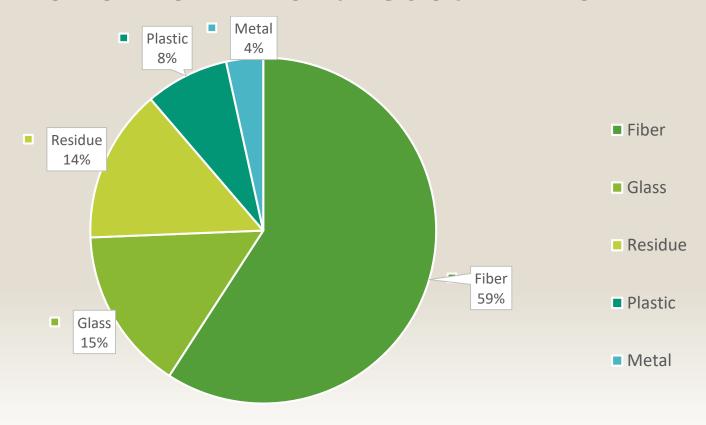
MRF PROCESSING COSTS IN DETAIL





Source: Resource Recycling Dec. 2019

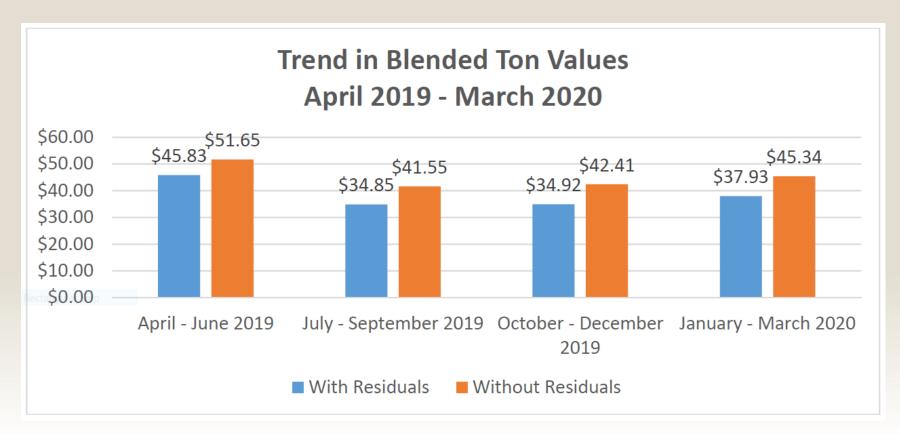
Weighted Percentage of Outbound Tons from Northeast MRFs





Source: Northeast Recycling Council (May 2020)

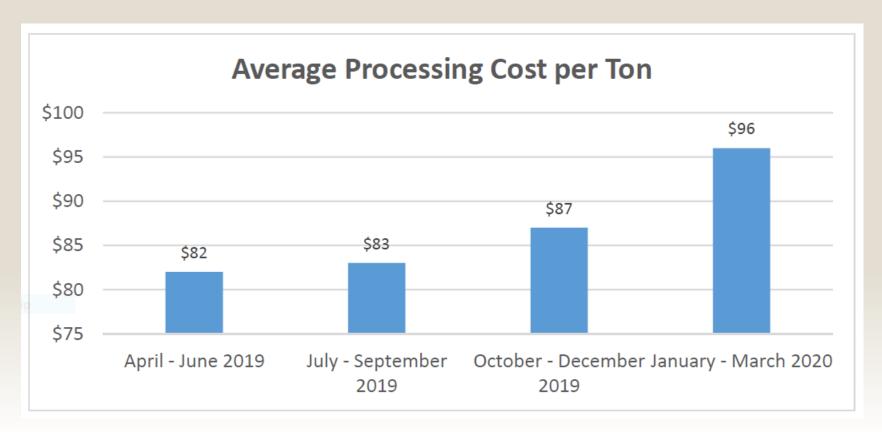
Northeast MRF Blended Ton Values





Source: Northeast Recycling Council (May 2020)

Northeast MRF Processing Costs





Source: Northeast Recycling Council (May 2020)

Questions?





Hauling & Equipment Costs

- Recommendation: Determine whether more cost effective to handle hauling and equipment on own or through vendor
- Why? Might be more cost effective one way or the other, hauling and owning own equipment provides more flexibility
- Example: Community hauls to MRF itself



Processing Costs

- Recommendation: Clearly identify and define processing costs
- Why? Community should pay processing costs, but need transparency to understand what they are separate from other costs
 - Huge range between MRFs: \$50 to \$130 per ton
 - Processing costs may include administrative fees, rent, fuel, utility costs, insurance



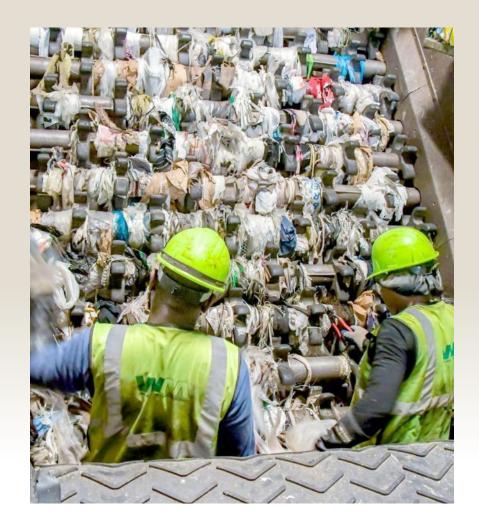
Contamination & Residue

- Contamination + residue = what is disposed of from MRF
 - Contamination: items put in bin that are not accepted materials (in-bound material)
 - Residue: material not captured by MRF during sorting process or material altered during processing (out-bound material)



Contamination

- Recommendation:
 Understand, define, and agree to what contamination is
- Why? Fees may assessed if limit exceeded





Sample Contamination Fee Schedule

Contaminants by Volume	Fee per Ton
3-5%	Warning
6-10%	\$15
11-15%	\$25
16-20%	\$45
21-25%	\$55
26% or higher	Current commercial waste disposal gate fee for entire load



Contamination Audits

- Recommendation: Understand waste audit process for determining if contamination fees triggered
 - Both municipality and MRF should agree to methodology
 - Start with accurate audit of inbound material for your municipality as baseline
 - Allow future audits at cost to party requesting the audit
 - Municipality should have right to observe the audit
- Why? Important to be clear in advance to avoid possible dispute later if fees charged



Example: Single Stream Contamination Audit Report

Material		%			
Report Card	Date	Contam.	Container	Tons	Contamination Issues
					No full bags, 40+ empty plastic bags, pool cleaner, window
Community A	10/17/2018	3%	Rolloff	2.34	glass
Community B	10/19/2018	0%	packer	1.76	2 cat food bags
Community C	10/22/2018	0%	packer	8.9	Spent 2 minutes trying to find any contamination and found nothing. No contaminants!
Community D	10/26/2018	3%	packer	1.58	Mostly bottles and plastic jugs, some loose plastic bags, bubble wrap & Styrofoam



Revenue/Cost Sharing

- Recommendation: Understand and clearly define how revenue or costs shared
 - Parties should share revenue in both up and down markets
 - Floor and ceiling prices can provide some certainty
 - Don't budget for revenue
- Why? Provides some certainty amidst uncertainty



Revenue/Cost Sharing Examples

- Market Average Revenue per ton: one example of a monthly index for single stream material
- MAR monthly processing fee = revenue or cost of material per ton
- Example: -\$5 \$120 = \$125 cost per ton

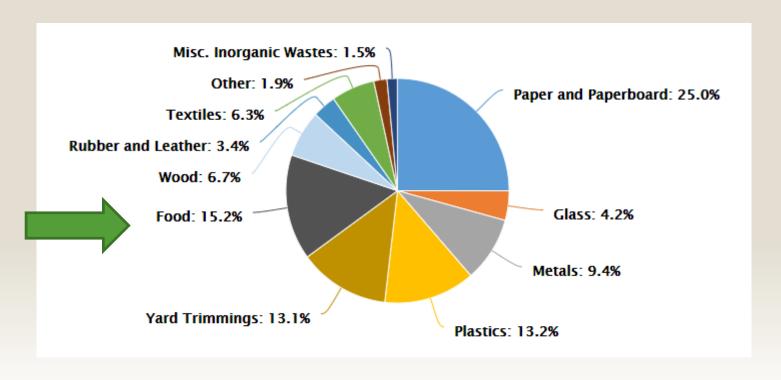


Anticipate Change

- Recommendation: Pay attention to any minimum tonnage requirements ("put or pay")
- Why?
 - Expect the unexpected
 - Changing composition of materials (ex. more lightweight plastics)
- Example: Single stream vendor expected more tonnage than community could meet



Total Municipal Solid Waste Generated by Material







Food Waste in Municipal Solid Waste

Only 6% of food waste is composted

Food is the largest component of MSW being landfilled at nearly 22%

(Source EPA, 2017)





Composting in NH

- Recommendation: Explore composting food waste
- Why? Environmental, moral and financial reasons
 - May need to request waiver of current rules from NHDES if want to compost meat or dairy





Composting Examples

- Hollis NH composts food scraps without meat or dairy on site
- Lee NH has food scrap pickup service, including meat and dairy
 - Mr. Fox Composting in Eliot, ME serves NH seacoast
 - Provides Lee NH with 64 gallon bins and signage
- Handout: See sample contract (residential; no specific contract available for transfer stations)



Questions?





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

