

23-0669



**TITLE:** Consider/Discuss/Act on a Resolution Authorizing the City Manager to Execute a Contract with Balcones Recycling Dallas, LLC for Recycling Processing Services

**COUNCIL GOAL:** Operational Excellence  
(2B: Balance Available Resources to Accommodate the Growth and Maintenance Needs of the City);  
Enhance the Quality of Life on McKinney  
(5E: Develop sustainable quality of life improvements in the City of McKinney)

**MEETING DATE:** August 15, 2023

**DEPARTMENT:** Public Works

**CONTACT:** Steve Tilton, Assistant City Manager  
Ryan Gillingham, Public Works Director  
Eric Hopes, Environmental Services Manager

**RECOMMENDED CITY COUNCIL ACTION:** Approval of Resolution

**ITEM SUMMARY:**

This resolution authorizes the City Manager to enter into a contract with Balcones Recycling Dallas, LLC (Balcones) for recycling processing services.

**BACKGROUND INFORMATION:**

- The City issued solicitation (23-11RFP) Solid Waste & Recycling Collection and Recycling Processing Services. Out of 114 supplier notifications, six proposals

were received on Thursday, February 16, 2023.

- Of the six proposals received and evaluated, Balcones was identified as the highest ranked respondent for recycling processing services.
- The City Council approved a resolution at the May 23<sup>rd</sup>, 2023, Special Meeting that allowed for the City to begin negotiations with Balcones.
- Staff from the City Manager's Office, Public Works, City Attorney's Office, and Procurement Services worked in collaboration with the City's consultant, Burns & McDonnell Engineering Company, Inc., to negotiate with and form contract with the finalist.
- Through negotiations, staff has formed a contract with the finalist and is seeking Council's approval to authorize the City Manager to execute the contract.
- Balcones contract for recycling processing services will begin on October 1<sup>st</sup>, 2024, and continue through September 30<sup>th</sup>, 2039. After the initial term, the City may elect to renew the agreement for terms of five (5) years. The total length of the agreement shall not exceed 25 years.
- The contract has been executed by Balcones and is available upon request.

#### **FINANCIAL SUMMARY:**

- Recycling Processing Services Fees:
  - Operating cost (0-3,000 tons per month) \$53 per incoming ton
  - Capital cost (0-3,000 tons per month) \$44 per incoming ton
  - Total Processing Fee (0-3,000 tons per month) \$97 per incoming ton
  - Discount for tonnage (3,000-5,000 tons per month) (\$5) per incoming ton
  - Total Processing Fee (3,000-5,000 tons per month) \$92 per incoming ton
  - Discount for tonnage (over 5,000 tons per month) (\$10) per incoming ton
  - Total Processing Fee (over 5,000 tons per month) \$87 per incoming ton
- Proposed Recyclable Revenue Share to City:
  - City Net Revenue Share eighty percent (80%) of net revenue based on percentage share of net revenue (positive or negative).
- Residue and Contamination Transportation Fee:
  - Transportation for to RDF-121 \$25 per ton of Residue and Contamination
  - Transportation for to Transfer Stations Pass-Through per ton of Residue and Contamination.
- Contract Rates for Recycling Processing shall remain effective from the execution of this Agreement through September 30, 2025.
- CPI cost adjustments shall be made automatically on October 1 of each year thereafter for the term of the agreement.
- CPI cost adjustments may be requested on an annual basis and a subject to adjustment based on seventy percent (70%) of the year-over-year change in the average value of the U.S. Consumer Price Index and approval by City Council.
- The annual CPI cost adjustment shall not exceed five percent (5%) in any single year.

**BOARD OR COMMISSION RECOMMENDATION: N/A**

**SUPPORTING MATERIALS:**

[Resolution](#)