

# TOGETHER

## Transforming Recycling For Good

### Bidding Bootcamp: Contracts, RFPs

Carolina Recycling Association Conference  
Charleston, SC  
March 19, 2019



**Each day we work together with communities and companies to help families in America recycle, and recycle well.**



## How?

Increase access to recycling

Increase capture of recyclables

Improve quality of recyclables



# THE RECYCLING PARTNERSHIP

Together, transforming recycling for good.



[recyclingpartnership.org](https://recyclingpartnership.org)



# The Backdrop: Part 1

- Changes to Global Marketplace
  - Bans, restrictions, tariffs
  - China, India, Vietnam
  - Trade wars impacting metals values
  - Stricter standards for bale quality
- Domestic Markets
  - More important than ever
  - Supply and demand in action
- Result: Significant Changes in Commodity Values

# The Backdrop: Part 2

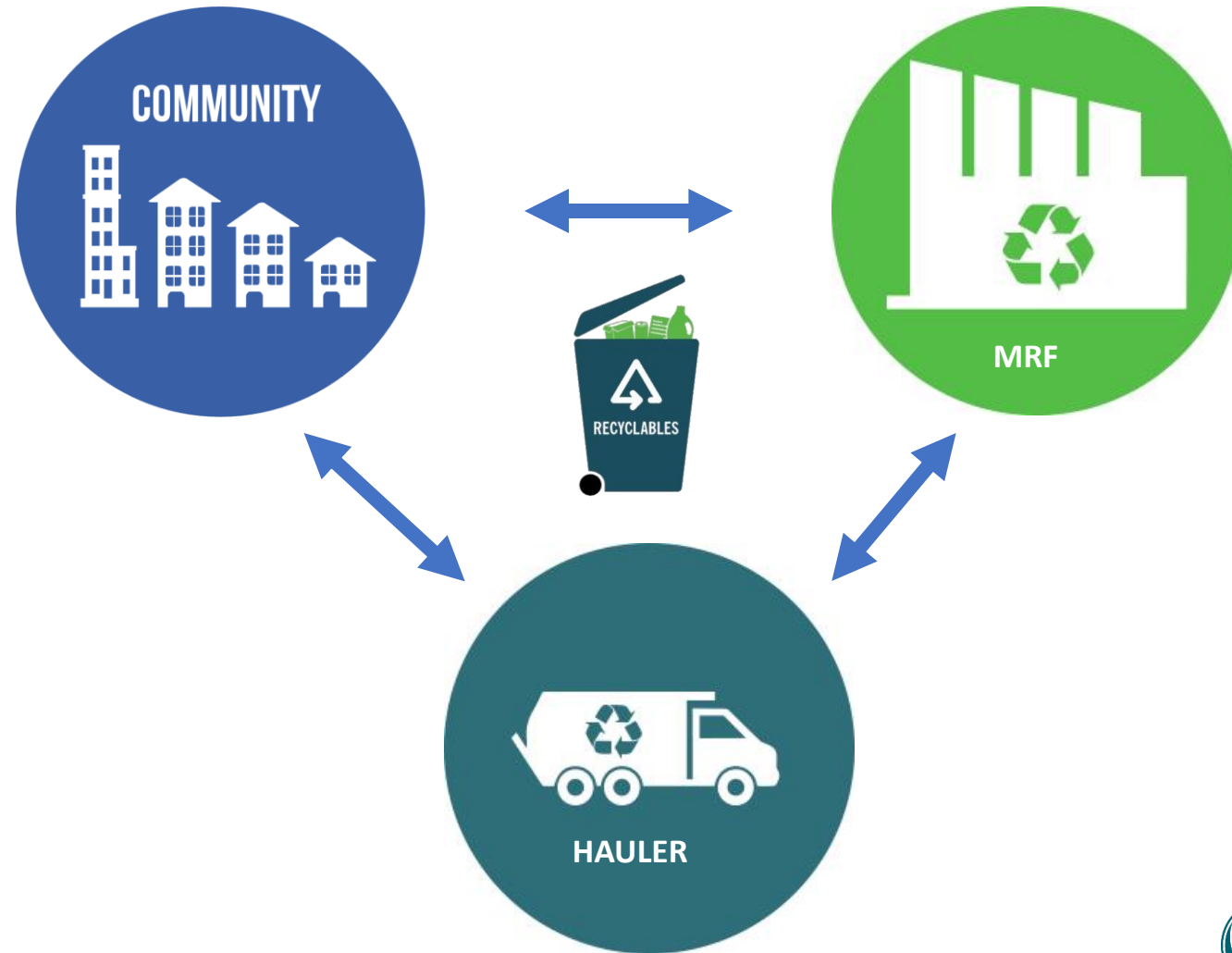
- Changing Materials Streams / Evolving Ton
  - Declining commercial OCC stream
  - Newspaper almost gone
  - Growing flexible packaging stream
- Pressures on Glass Recycling
  - High cost to process, low value
  - Solutions are expensive
- Contamination Complications
- Result: Processing Charges at MRFs a New Reality



# System Challenges

- Real financial pressures on different system players
- Yesterday's contracts may not have anticipated today's market conditions
- Stakeholders required to work together to survive and thrive
- Balancing act with pressure on each player:
  - Communities
  - Haulers
  - MRFs

# Interdependent, But Not Always Aligned







- Stressed by need for off budget-cycle price adjustments
- Unable to make quick changes
- Decision makers often lack understanding of recycling
- Recycling competes for resources with other critical priorities



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- Faced with “evolving ton” and intense market pressures
- Capital intensive, technological solutions can be expensive
- Desire to avoid “feast or famine” economics



## Community Needs:

- Stability
- Predictability



## MRF Needs:

- Stability
- Profitability



## Hauler Needs:

- Stability
- Profitability

## Common Needs:

- Communication Between Industry Partners
- Informed Public Commitment to Recycling
- Material Quality

# Complementary Goals

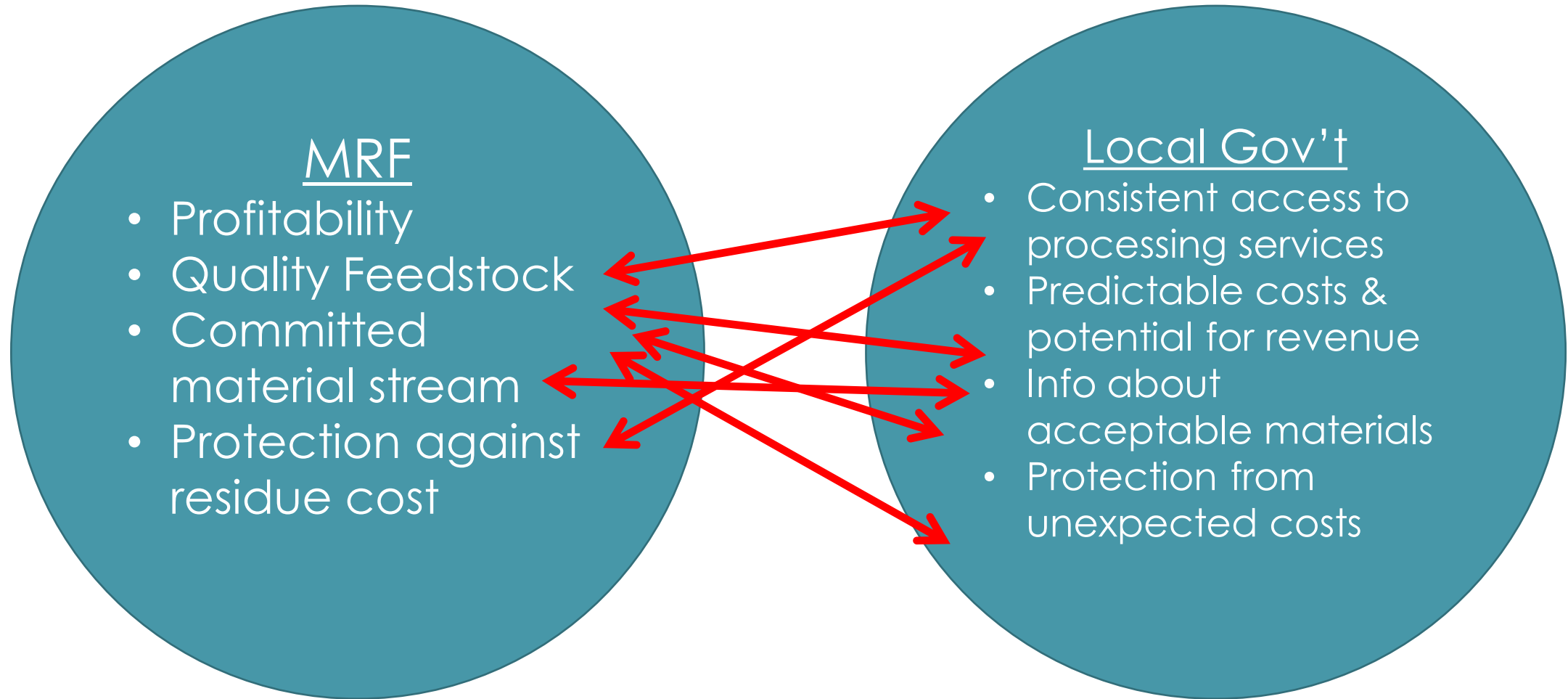
## MRF

- Profitability
- Quality Feedstock
- Committed material stream
- Protection against residue cost

## Local Gov't

- Consistent access to processing services
- Predictable costs & potential for revenue
- Info about acceptable materials
- Protection from unexpected costs

# Complementary Goals



# Ideal MRF Contracts

- Allow both parties to live and thrive through a range of market conditions
- Create shared risk and reward
- Include mechanisms for clear communication and collaboration
- Establish clear and fair expectations about acceptable materials and contamination





# Processing Costs

- MRFs cannot sustain losses on every inbound ton
- Material values do not presently cover processing costs
- Need equitable arrangements to keep MRF operator whole
- Shared risk/reward: when materials values are
  - > Processing Cost = Revenue Share
  - < Processing Cost = Cost Share





# Contamination

- Clear criteria for acceptable contamination rates, and when surcharges might apply
- Screening protocol for quality
- Understanding of how contamination is measured
- Understanding of how cost of contamination is shared





# Material & Data Reporting

- Clear reporting about inbound tonnage
- Clarity about how processing charges are calculated
- Clarity about how market values are determined
- Understanding of how community's material profile is established and maintained



# Other Important Considerations

- Clear criteria about acceptable materials
- Include mechanism for revisiting materials list / adding materials
- Longer term contracts:
  - Secure access to processing services;
  - Create sense of commitment and responsibility;
  - Allow MRFs to justify capital investments that can improve efficiency and reduce processing costs
- Are there creative opportunities for cost sharing?
  - Can community haul waste for MRF or accept residue materials for disposal?





# Thank you!

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