

**Item Title:** Approval of a Five-Year Agreement with Waste Industries, LLC to Operate Multi-Material Recycling Facilities

**Specific Action Requested:**

**That the Board of Commissioners approves a five-year agreement with Waste Industries, LLC to operate the Multi-Material Recycling Facilities in Wake County and authorizes the County Manager to execute contracts on behalf of Wake County for these services, subject to the terms and conditions acceptable to the County Attorney.**

**Item Summary:**

**Purpose:** The Board of Commissioners to approve a five-year contract with Waste Industries, LLC to provide labor, equipment, collection, transportation, processing, recycling or disposal services at Wake County's Multi-Material Recycling Facilities.

**Background:** Wake County Solid Waste Management Division currently operates three Multi-Material Recycling Facilities that accept recyclable materials from County residents and businesses. The contract to operate the Multi-Material Recycling Facilities is set to expire on August 31, 2018. In April 2018, Wake County issued a Request for Proposal (#18-047) for the operation of the Multi-Material Recycling Facilities. Wake County received responses from one firm: Waste Industries, LLC. After carefully reviewing Waste Industries proposal and pricing, and considering their favorable performance history, Wake County staff recommends contracting with Waste Industries, LLC to continue to operate the County's Multi-Material Recycling Facilities at the existing service level. Based upon the proposed pricing, the first-year cost will be \$534,539. The 5-year contract value, based upon trends, would be \$2.93 Million.

**Board Goal:** This action supports standard County operations and does not relate to a specific Board initiative.

**Fiscal Impact:** Funding is included in the FY 2019 Budget to cover the first-year of the contract.

**Additional Information:**

Wake County operates three Multi-Material Recycling Facilities, located at 9029 Deponie Drive, Raleigh, NC 27614; 6130 Old Smithfield Road, Apex, NC 27539; and 5051 Wendell Boulevard, Wendell, NC 27591. The Multi-Material Recycling Facilities are designed to accept materials that are traditionally banned from disposal in the landfill, such as white goods, tires, motor oil, electronics, etc. During FY 2017, over 11

million pounds of materials were recycled through Wake County's Multi-Material Recycling Facilities.

Total cost for the Multi-Material Recycling Facilities during the 5-year contract period is estimated below:

	Year 1 FY 2019	Year 2 FY 2020	Year 3 FY 2021	Year 4 FY 2022	Year 5 FY 2023
Labor	\$380,400	\$387,628	\$396,155	\$406,059	\$418,241
Equipment Rental	\$50,727	\$50,727	\$50,727	\$50,727	\$50,727
Hauling	\$96,252	\$110,690	\$127,293	\$146,387	\$168,345
Processing	\$7,160	\$7,375	\$7,596	\$7,824	\$8,059
Total Cost	\$534,539	\$556,420	\$581,772	\$610,997	\$645,372
5 Year Contract Value:					<b>\$2,929,099</b>

The previous contract with Waste Industries was a six-year contract that did not include annual escalation clauses. FY2018 contract value for these services was \$504,500. The new contract rates include annual escalation clauses for both labor and hauling. Additionally, the new contract includes rates for the option of the newly constructed East Wake Multi-Material Recycling Facility.

**Attachments:**

1. Waste Industries Contract