



# TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, including back up information, 8 days prior to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

## MEETING INFORMATION

Date Submitted: October 2, 2020

Date of Meeting: October 8, 2020

Submitted by: Kyle Fox

Department: Public Works

Time Required: 10 Minutes

Speakers: Kyle Fox, Kris Perreault

Background Info. Supplied:

Yes:  No:

## CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	<input type="checkbox"/>	Recognition/Resignation/ Retirement:	<input type="checkbox"/>
<b>Public Hearing:</b>	<input type="checkbox"/>	Old Business:	<input checked="" type="checkbox"/>
New Business:	<input type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

## TITLE OF ITEM

Selection of recycling contract

## DESCRIPTION OF ITEM

The current single stream recycling contract through the NRRA between The Town of Merrimack and E.L. Harvey & Sons Inc. is expiring November 30, 2020. The Town received proposals from two companies for the upcoming year(s) and Public Works is recommending to accept the proposal from EL Harvey, which is our current vendor, for the next twelve month period.

## REFERENCE (IF KNOWN)

RSA:	Warrant Article:	_____
Charter Article:	Town Meeting:	_____
Other:	N/A	

## EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	<input type="checkbox"/>	Grant Requirements:	<input type="checkbox"/>
Easel:	<input type="checkbox"/>	Joint Meeting:	<input type="checkbox"/>
Special Seating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Laptop:	<input type="checkbox"/>	None:	<input type="checkbox"/>

## CONTACT INFORMATION

Name:	<u>Kyle Fox</u>	Address	<u>6 Baboosic Lake Road</u>
Phone Number	<u>603-424-5137</u>	Email Address	<u>kfox@merrimacknh.gov</u>

## APPROVAL



## TOWN OF MERRIMACK INTER-DEPARTMENT COMMUNICATION

**DATE:** July 6, 2020

**AT (OFFICE):** Department of Public Works

**FROM:** Kris Perreault  
Solid Waste Foreman

**THRU:** Kyle Fox  
Public Works Director

**SUBJECT:** **Single Stream Recycling Options and Recommendation**

**TO:** Eileen Cabanel  
Town Manager

The current single stream recycling contract through the NRRA between The Town of Merrimack and E.L. Harvey & Sons Inc. is expiring November 30, 2020. This contract has proven to be a very favorable for the Town of Merrimack. The town is currently paying \$57.50 per ton for our single stream recycling inclusive of tipping fees, trucking and equipment rental and maintenance.

The intent of this memo is to provide the necessary background information on how Merrimack recycles, the current state of the recycling markets, the options available to us, a comparison to another town with a similar program and finally my recommendation.

### **How The Town of Merrimack Recycles:**

Like many larger communities in New Hampshire, Merrimack utilizes its drop-off recycling facility for single stream, zero-sort recycling. This has been an attractive means of recycling due to its simplicity, low processing costs, and ease of use for residents. Since the program began in May, 2010, the town has recycled over 14,000 tons of single stream material at an average cost of \$14.63 per ton. The average tonnage over the past five years is 1,477 tons per year. This tonnage will be used in all of the projections.

### **The State of Recycling Markets:**

There is a glut of certain recyclable materials in the world market causing prices to tumble. In 2017 China, a world leader of importing recycling materials for its own manufacturing, determined it was no longer accepting the levels of contamination found in most material recovery facilities (MRF's). In January, 2018 China banned nearly all imports. The Chinese National Sword is the country's latest and strictest regulation on imports of solid wastes. This has

essentially closed off the market for mixed plastics and mixed paper. For example; the average price of mixed paper in the Northeast has dropped from a high of \$85.00 per ton in March 2017 to below zero today.

Some communities, Merrimack included, have been protected from these dwindling markets thanks to ongoing contracts with MRF's. Single Stream pricing in the Northeast has been greatly affect by this global glut of materials. Since 2017 the area average of single stream recycling has gone from a tipping fee of \$40.22 to over \$75.00 dollars. Thanks to our contract with E.L. Harvey & Sons Inc., the Town of Merrimack's has only gone up \$4.00 and again this includes all outside recycling costs; tipping fees, transportation and any equipment rental fees and maintenance. Keeping in mind the town has use of a compactor and typically seven roll off boxes on site.

**Available Options:**

In an industry facing dwindling markets, there are only a few options for the Town of Merrimack; Casella Waste Systems, E.L. Harvey & Sons Inc. (through the NRRA), and Waste Management.

**1. Casella Waste Systems:**

Casella Waste Systems has yet to return any of our correspondence.

**2. E.L. Harvey & Sons Inc.:**

E.L. Harvey & Sons Inc. has presented us with the following rate schedule; tipping fees of \$95.00 per ton, haul charge of \$275.00 per haul and a compactor rental fee of \$225.00 per month. It is important to note that E.L. Harvey has the ability to haul two compactor boxes at a time and is willing to continue to provide us with seven boxes on site at no additional charge. This greatly reduces the hauling charge and gives the town the flexibility to accommodate high volume. If we extend these rates out using our projected (average) tonnage it would be as follows:

<b>Fees:</b>	<b>Rate Schedule</b>	<b>Frequency</b>	<b>Annual Cost</b>	
Tipping Fee	\$95.00 / ton	1477 tons	\$140,315.00	
Hauling (Trucking)	\$275 / haul (tandem)	292 loads/2 (tandems)	\$40,150.00	
Equipment Rental	\$225 Compactor Rental (4yd.)	12 Months	\$2,700.00	
			\$183,165.00	<b>Annual Cost</b>
			\$124.01	<b>Annual Cost Per Ton</b>

The proposal noted above is for one year but we have requested information from Harvey on what a mulit-year proposal would look like.



**3. Waste Management:**

Waste Management has provided the following rate schedule for the first year; tipping fees of approximately \$89.72 per ton based on a ‘Blended Value’, haul charge of \$260.00 per haul, and an equipment rental fee of \$350.00. It is important to note that their rental fee includes a 4yd. compactor and only 3 compactor boxes. Also, their haul charge is only for a **single** box at a time. Based on their fees and our estimated tonnage the first year would be as follows:

<b>Fees:</b>	<b>Rate Schedule</b>	<b>Frequency</b>	<b>Annual Cost</b>	
Tipping Fee	\$89.72.00 / ton	1477 tons	\$132,516.44	
Hauling (Trucking)	\$260.00	292 loads	\$75,920.00	
Equipment Rental	\$350 Compactor Rental	12 Months	\$4,200.00	
			\$212,636.44	<i>Annual Cost</i>
			\$143.97	<i>Annual Cost Per Ton</i>

It is also important to keep in mind that the tipping fees in this proposal are subject to this ‘Blended Value’ calculation. This is the total weighted value per ton of each recyclable and non-recyclable component (including negatively-valued recyclables and transfer the disposal costs of non-recyclables). This means the town would be subject to composition audits as well as the fluctuating markets.

**Comparison:**

For comparison purposes we reached out to a local town that is similar in size and has a similar recycling program. The greatest differences between our operations are the comparative town owns two compactors with four compactor boxes (which means they invested the capital outlay to acquire them and will bear the maintenance and replacement costs). They also recycle their glass separate from the comingled recycling. A sample of their expenses is as follows:

***Glass recycling for the month of June 2020:***

35.61 tons, totaling \$2,023.31 or \$56.82 / ton

***Comingled recycling for the month of June 2020:***

84.55 tons, totaling \$9,608.64 or \$113.64 / ton

If we combine their tipping fees (\$11,631.95 / 120.16 tons), we get an average rate of \$96.80. This falls in line with what our proposed tipping fees are without the added complication of separating glass. Separating glass out our facility would require some degree of ‘retooling’ as well as re-educating the public. Not to mention the additional space required to collect and store the glass onsite.

**My Recommendation:**

After careful consideration, my recommendation would be to continue to work with E.L. Harvey & Sons, Inc. We have a long standing relationship and they have provided exceptional service. Whether we require an extra pickup or the compactor needs a repair, E.L. Harvey has been very responsive.

It is also worth noting that by having a firm tipping fee, it simplifies budgeting and avoids the overly complicated 'Blended Value' proposed by Waste Management. I am confident in my staff that the quality of our single stream recycling is excellent. However, these proposed 'Composition Audits' sound very subjective and the risk associated with today's recycling markets outweigh any perceived savings on tipping fees. Not to mention the level of service Waste Management would have to provide with only three boxes onsite. We typically require three boxes on any given Saturday. Waste Management would have to service the Town of Merrimack multiple times daily to keep up.

For these reasons and others, I feel continuing to do business with E.L. Harvey & Sons Inc. makes both financial and operational sense for the Town of Merrimack.