



Nice Matters!

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MEMO

TO: Mayor Barber and Board of Commissioners
FROM: Matt Zapp, Town Manager
SUBJECT: Resolution Authorizing Contract Extension –
Waste Industries, Inc. (Dumpster Service)
DATE: December 5, 2019

The attached resolution authorizes the Town Manager to execute a 2-year contract extension with Waste Industries/ GFL. The Town's current contract expires on December 31, 2019. The attached resolution would extend the contract until December 31, 2021.

The current contract provides for dumpster collection and disposal at residential condominium complexes and Town facilities (businesses in Emerald Isle must contract for their own solid waste services), and includes specified rates per dumpster collection and depends upon the size of the dumpster. There are a range of specified rates. These rates are adjusted each year on July 1 according to the change in the Consumer Price Index, and also include a fuel cost adjustment formula.

Under this contract, Waste Industries/GFL also accepts, sorts, processes, stores, and markets the Town's co-mingled recyclable materials (collected and delivered by our contractor, Simmons & Simmons) at its Newport, NC facility. **The market for recyclables has dramatically fluctuated over the past 18-24 months.**

Effective July 1, 2019, fees climbed to \$62.00 per ton to dispose of EI recyclables, which is estimated to cost \$50,000 this fiscal year. Waste Industries/ GFL projects that the estimated cost will climb to \$102.00 per ton as of July 1, 2020. To account for the increased recycling disposal fee impact, it is likely that the Town of Emerald Isle will need to adjust solid waste collection rates in the upcoming budget/ fiscal year.

Waste Industries has provided quality dumpster service for the Town over the past 12-years and has maintained a positive working relationship with the Town. Alternate options to dispose of our recyclable materials are higher than the Waste Industries/GFL solution.

As a result, staff recommends that the Board approve the attached resolution authorizing a 2-year contract extension.

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