



190351

MEMORANDUM

TO: Public Works & Environmental Concerns Committee

THROUGH: Carl S. Goldsmith, Director of Public Works *CJ*

FROM: David P. Gorman, PE, Asst. Director of Public Works *DPG*

SUBJECT: **Solid Waste Contract – Proposed Third Amendment**

DATE: July 10, 2019

Attached is a proposed Third Amendment to the Solid Waste Contract and an amendment to the Village Code regarding commercial recycling contamination. The amendments would authorize a new fee for contaminated recyclables for business, industrial and multi-family building customers. At present, Waste Management's only recourse is to cancel service, which is not ideal. From the perspectives of both Waste Management and their commercial customers, uninterrupted service with a reasonable fee is preferred over tagging/leaving or cancellation.

Background:

Recycling contamination occurs from the inclusion of unacceptable materials in recycling containers. Common contaminants are significant amounts of food residue, Styrofoam, plastic film/wrap, electronics, ceramics, and tempered glass. At worst, an entire truckload of material may be rendered worthless by a spill of liquids. In addition, that material must then be transported a second time from the recycling facility to the landfill.

Contamination has been increasingly threatening the economic viability of recycling. First, the rejection of even low levels of contaminated paper and plastics by China (known as the "China Sword" program) and other Asian countries has plummeted the value of these materials. There is some movement by the U.S. waste industry to process and reuse more recyclables domestically, but those facilities and markets are complex and they will take years to develop.

The proposed fees of \$20 per cart and \$20 per cubic yard for dumpsters have been negotiated between Staff and Waste Management to compensate for increased handling/disposal costs and also to encourage improved commercial customer practices. The fee is intended to be fair and transparent, and be enforceable through the Village Code. A photo would need to be available to the Village and the commercial customer to document charges. Waste Management reports that no other municipal partners have yet enacted a similar fee. As such, their practice throughout the country has been to assess fees as they see fit and to cancel recycling services.

Recommendation:

Staff recommends that the Committee vote to recommend the Third Amendment to the Contract and the amendment to the Village Code to the Board of Trustees.

CG/DG:dg H:\PW\Environmental\Refuse & Recycling\2016-2024 Contract\Third Amendment for Recycling Contamination\Third Amendment - PWEC Memo.doc
attachments: Contract Amendment and Code Amendment

**THIRD AMENDMENT TO
SOLID WASTE COLLECTION AND DISPOSAL SERVICES CONTRACT**

This Third Amendment to Solid Waste Collection and Disposal Services Contract (the "Third Amendment") is made and entered into as of August 15, 2019 (the "Effective Date"), by and between the Village of Lombard, an Illinois municipal corporation (the "Village"), and Waste Management of Illinois, Inc., a Delaware corporation licensed to do business in Illinois (the "Contractor"). The Village and the Contractor are hereinafter sometimes referred to collectively as the "Parties" and individually as a "Party."

WITNESSETH

WHEREAS, the Village and the Contractor entered into a Solid Waste Collection and Disposal Services Contract dated January 7, 2016 (the "Original Contract"); and

WHEREAS, the Village and the Contractor entered into a First Amendment to Solid Waste Collection and Disposal Services Contract dated April 5, 2018 (the "First Amendment") and entered into a Second Amendment to Solid Waste Collection and Disposal Services Contract dated August 16, 2018 (the "Second Amendment"), both of which amended the Original Contract (the Original Contract as amended by the First Amendment and Second Amendment being hereinafter referred to as the "Amended Contract"); and

WHEREAS, the Village and the Contractor desire to amend certain provisions of the Amended Contract; and

WHEREAS, it is in the best interests of the Village and the Contractor to enter into this Third Amendment;

NOW, THEREFORE, in consideration of the foregoing, the covenants, conditions and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

1. That Section 7 of the Amended Contract is amended by adding a definition for "Recycling Contamination", which shall read in its entirety as follows:

“Recycling Contamination: The improper inclusion of items for collection in **Commercial Recyclables Carts or Dumpsters**, beyond those listed in Exhibit A of this **Contract**, including, but not limited to, soiled/wet/waxed paper or cardboard, food waste, plastic bags or wrap, ceramics, electronics and tempered glass, or the improper inclusion of **Recyclables**, for collection in **Commercial Recyclables Carts or Dumpsters**, contaminated with significant amounts of food residue.”

2. That Section 8C of the Amended Contract is amended by adding a new subsection (13) thereto, which shall read in its entirety as follows:

“Section 8C(13) Recycling Contamination

Contractor may, at its discretion, take any of the following actions regarding **Commercial Recyclables Carts and Dumpsters** containing **Recycling Contamination**:

- (a) Not collect the contents in their entirety, provided that an explanatory tag is left setting forth the reason for the non-collection, with a separate tag being left for each non-collection occurrence;
 - (b) Collect the contents in their entirety and assess an added fee per occurrence of \$20.00 per **Recyclables Cart** or \$20.00 per cubic yard of **Dumpster** size; provided, however, that a photo of the **Recycling Contamination** shall be taken and made available to the customer and the **Village** upon request; or
 - (c) Cancel **Recyclables** collection and remove the **Recyclables Carts** and **Dumpsters** for any **Commercial** customer with at least three (3) documented instances of **Recycling Contamination** within a period of one (1) year. **Commercial** customers may request a resumption of **Recyclables** collection after one (1) year has passed since the cancellation of **Recyclables** collection services, at no extra startup cost.”
3. That all portions of the Amended Contract, not amended hereby, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Third Amendment to be executed by their respective duly authorized officers as of the date first above written.

Village of Lombard,
an Illinois municipal corporation

Waste Management of Illinois, Inc.,
a Delaware corporation
licensed to do business in Illinois

By: _____
Keith Giagnorio
Village President

By: _____

Name: _____

Title: _____

ATTEST:

ATTEST:

By: _____
Sharon Kuderna
Village Clerk

By: _____

Name: _____

Title: _____

ORDINANCE NO. _____

**AN ORDINANCE
AMENDING TITLE IX, CHAPTER 92
OF THE LOMBARD VILLAGE CODE IN REGARD TO
WASTE COLLECTION AND DISPOSAL**

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That Title IX, Chapter 92, Section 92.10 of the Lombard Village Code is amended to add a new definition of "Recycling Contamination" thereto, which shall read in its entirety as follows:

"Recycling Contamination. The improper inclusion of items, for collection in Commercial Recyclables Carts or Dumpsters, other than items commonly accepted at nearby Recyclables recovering facilities as referenced in Exhibit A to the Village's Contract with its authorized Waste Disposal Firm, including, but not limited to, soiled/wet/waxed paper or cardboard, food waste, plastic bags or wrap, ceramics, electronics and tempered glass, or the improper inclusion of Recyclables, for collection in Commercial Recyclables Carts or Dumpsters, contaminated with significant amounts of food residue."

SECTION 2: That Title IX, Chapter 92, Section 92.17(B) of the Lombard Village Code is amended by adding a new subsection (12) thereto, which shall read in its entirety as follows:

"Pick up of all materials from Commercial Recyclables Carts or Dumpsters with Recycling Contamination; an additional fee of \$20.00 per Recyclables Cart or \$20.00 per cubic yard of Dumpster size, above and beyond the normal cost associated with the pick up of said Commercial Recycling Carts or Dumpsters; provided, however, a photo of the Recycling Contamination shall be taken and made available to the customer and the Village upon request."

SECTION 3: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as provided by law.

Passed on first reading this _____ day of _____, 2019.

First reading waived by action of the Board of Trustees this ____ day of _____, 2019.

Passed on second reading this _____ day of _____, 2019, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2019.

Keith Giagnorio, Village President

ATTEST:

Sharon Kuderna, Village Clerk

Published by me in pamphlet form this _____ day of _____, 2019.

Sharon Kuderna, Village Clerk