



## Municipalities reject new waste, recycling contracts

MRFs, haulers and communities face rising recycling and processing costs across the country.

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As material recovery facility operators (MRFs) and haulers undergo contract negotiations to meet rising tipping fees and recycling and processing costs, some municipalities are rejecting proposed contracts that would increase costs for residents and businesses.

Santa Monica, California, recently turned down renewing a long-term contract with [Allan Co.](#), Santa Monica, which has processed the city's recyclables since 1993. The new contract would have increased the city's recycling costs from \$25 per ton to \$67 as well as represented a commitment to rebuild the city's recycling center with plans for expansion and new equipment. The city expressed concern over committing to a long-term contract and starting construction at the recycling center under current market conditions and low commodity prices.

Municipalities have gone from earning \$25 per ton to paying \$70 per ton or higher to process recyclables in some areas. At the same time, processing costs for MRFs and haulers have increased by \$70 to \$115 per ton in Maine and Massachusetts, for example, and continue to rapidly increase across the country, resulting in higher costs for cities.

Under new contract negotiations, operators also are proposing new contamination fees. In Massachusetts, for example, municipalities are charged \$150 to \$225 per ton for more than 10 percent contamination, and Rhode Island has a \$4.50 per ton contamination penalty. Providence was paying more than \$40,000 per month in contamination fees, according to Vermont-based nonprofit [Northeast Recycling Council \(NERC\)](#).

"It's becoming more expensive for the towns that are absorbing the costs of recycling programs," says Lynn Rubinstein, NERC executive director. "I think we're seeing towns being faced with more expenses and having to absorb that into their budget or find opportunities to offset the costs."

Omaha, Nebraska, also recently rejected a contract proposal by global waste management company [FCC Environmental Services](#), The Woodlands, Texas, over concerns the contract wasn't meeting the needs of the community regarding residential requests for curbside yard scrap collections. In the past years, composting efforts have increased in the city, as well as efforts to move to a three-bin system for waste, recycling and yard trimmings.

Under the proposed contract, yard scrap would only be collected curbside on Saturdays, which the council said did not meet the residents' request for a contract that separates yard scrap from the waste stream. The proposal also would have resulted in a \$500,000 cost increase, according to an online [report](#) by KETV.

"Maybe this is something that we need to make sure we're giving the citizens what they want, but we also need to make sure we're doing it at a cost that we can afford without raising taxes," council member Aimee Melton said.

While MRFs, haulers and municipalities work to renegotiate contracts to meet market conditions and find solutions to rising costs, Rubinstein says she has heard of several instances where haulers and MRFs have proposed "more expensive" contracts, a "loss of revenue sharing" or contamination penalties to municipalities and have found a solution.

"A lot of communities have successfully avoided [cost increases] during contract renewals by demonstrating their commitment to get engaged in community education, something to the extent they aren't doing now and having a really a positive response among behavior in their community," Rubinstein says.

In Santa Monica, Allan Co.'s proposed contract also would have included fees on recyclables with more than 10 percent contamination. While the city has a 2030 zero waste goal, one council member expressed concern over the cost to educate residents and businesses on how to properly recycle.

"We do not have a good history of producing high-quality recyclable material," councilmember Greg Morena said in an online [report](#) by the *Santa Monica Daily Press*. "It's really difficult to get people to change their mind and change their process, and that cost could be significant."

Another council member said the city needs a "strategic outlook on achieving viable zero waste," according to the report.

Despite the challenges, Rubinstein is positive that in the next couple of years a combination of education initiatives, upgrades at MRFs and infrastructure investments will result in lower costs to cities, MRFs and haulers, as well as higher quality curbside recyclables, including paper and plastics.

"We're seeing reinvigorating attention on education and perhaps others will see more and more examples and say 'that worked,'" she says. "I'm optimistic that in the next couple of years, we'll see paper rebound. All the investments we're seeing, we're going to see improved quality at the MRFs, so we're going to have better material going to those mills."

Material Recovery Facilities/MRFs Education Contamination Contracts

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