



October 22, 2012

Bob Vitas, City Manager
Flagler Avenue
Key West Fl. 33040

Bob,

Below each point is a narrative response. These are for your review.

This outline is predicated on a three year extension on the remaining two years of our current contract. If there are any items, you would like to adjust please advise. We look forward to our continued partnership serving Key West.

This proposal will benefit the City financially in the form of recycling rebates and avoided disposal costs in addition to monies for education and a share in the proceeds of white goods revenue. The total revenue savings amount projected would be approximately \$1,135,000. The attached spread sheet details these calculations.

Points for Negotiation – WM Collection Contract

Implementation of Master Plan Phase I Recommendations:

1. Recycling revenue

WM will pay the city a Recycling Collection Administrative fee of \$30.00 per ton to enable the City to administer the recycling programs being added to the contract. Current tons-3600 x \$30.00= \$108,000 per year. We project recycling tonnage will increase approximately 40% or more by adding Residential Carts in the City. This will generate up to 5040 tons per year of recycling material.



2. Fee for metals/white goods - Please provide written description of your proposal

WM will collect and transport white goods as per contract, to the transfer station. Freon will be removed at the transfer station. After sale of the material WM will deduct our cost of transportation and the remaining funds will be split 20/80 between WM and The City.

3. Recycling Carts (no additional cost)

- WM will provide space to store spare inventory provided by City, deliver new/replacement carts after initial citywide distribution, provide cart maintenance (cost should be minimal on new carts; plus carts should be under warranty unless damaged by WM or customer).
- **WM will provide space to store inventory for city provided carts. WM will also deliver new or replacement carts after the initial citywide distribution. WM will provide cart maintenance to all the carts under city program.**

4. 1-1-1 Collection and Processing procedure for material – cradle to end product. (at no additional cost)

WM will provide the 1-1-1 collection at no additional charge. Within the next 2 years WM will discuss approved methods of beneficial reuse of yard waste.

5. HHW and E-Waste service - Operating plan, location, assurance of proper disposal

WM will add residential E-waste to its HHW collection at no additional charge. Once per month.



6. Equal collection charges for commercial solid waste and recycling.

Recycling Collection charges will be the same as solid waste. No rebate will be paid to the city on tons brought to the city transfer station by self haulers.

7. Single stream recycling available widespread for business in container sizes ranging from carts to dumpsters to roll-offs

WM will provide this service.

8. Reporting - Monthly reports in City-approved Excel format (more user-friendly for data analysis and tracking)

WM will provide the reports in the format.

9. Education Program

- **WM will promote an educational program designed for Key West. In addition, WM will pay the city a set \$12,000 per year in addition to the current \$6000 towards the continuing education and collaborating of green and sustainability programming between the city and WM.**

10. Commitment to Implementation of Phase II recommendations after Phase I is achieved.

WM will work with the city on implementation of Phase II.



Key West Extension Revenue Breakdown

October 24, 2012

1. Revenue to Key West

5040 recycling tons @ \$30.00 per ton = \$151,200 per year over 5 years this is projected to be \$756,000.

2. Education fund \$12,000 per year over 5 years = \$60,000.

3. Disposal cost avoidance from recycling

5040 tons-3600 existing tons=1440 additional recycling vs disposal of 1440 @ \$73.= \$105,120

Based on 5 years savings of \$473,043

Revenue \$756,000

\$ 60,000

\$473,040

Total revenue **\$1,289,040**. Realized by City from WM plus white good fees.

Plus WM investment in City recycling program of **\$2,268,000** to transport and process material. At no charge to Key West.