



FOR COUNCIL MEETING OF:  
AGENDA ITEM NO.:

May 17, 2010  
7 (d)

TO: MAYOR AND CITY COUNCIL  
THROUGH:  LINDA NORRIS, CITY MANAGER  
FROM: KACEY DUNCAN, FRANCHISE ADMINISTRATOR   
SUBJECT: AMENDMENTS TO THE CURRENT SOLID WASTE MANAGEMENT  
FRANCHISES TO PROVIDE FOR COMPOSTABLE MATERIAL  
RECYCLING SERVICES

**ISSUE:**

Shall the City Council authorize the City Manager to execute Amendatory Agreement No. 1 to provide for the new compostable material recycling service in the current solid waste management franchises with United Disposal Service, Inc., dba Allied Waste Services of Marion County-Aumsville; Capitol Recycling and Disposal, Inc., dba Allied Waste Services of Salem-OR; D & O Garbage Service, Inc.; Loren's Sanitation Service, Inc.; Pacific Sanitation, Inc.; BGL Inc., dba Suburban Garbage Service; and Valley Solid Waste Management Corp., dba Valley Recycling & Disposal?

**RECOMMENDATION:**

The City Council should authorize the City Manager to execute Amendatory Agreement No. 1 to provide for the new compostable material recycling service in the current solid waste management franchises with United Disposal Service, Inc., dba Allied Waste Services of Marion County-Aumsville; Capitol Recycling and Disposal, Inc., dba Allied Waste Services of Salem-OR; D & O Garbage Service, Inc.; Loren's Sanitation Service, Inc.; Pacific Sanitation, Inc.; BGL Inc., dba Suburban Garbage Service; and Valley Solid Waste Management Corp., dba Valley Recycling & Disposal.

**BACKGROUND**

Compostable material recycling (more commonly referred to as mixed organics or food waste recycling) enables the disposal of food waste, food soiled paper, and yard debris in one collection bin. The assortment of compostable material is then collected and transported to a processing facility with the permits and technology required to convert the materials into nutrient rich compost.

On April 26, 2010, the City Council enacted Ordinance Bill No. 9-10, amending various provisions of Salem Revised Code (SRC) Chapter 47 to allow for a new compostable material recycling service in Salem. One of the drivers of the proposed new service is City Council Goal 2(e), listed under the *Healthy Environment* result area. Goal 2(e) establishes a priority for the City to work with the solid waste management service franchisees to develop methods for increasing recycling participation by restaurants and

multi-family residences. This Council Goal specifically identifies food waste recycling as an opportunity for increasing waste recovery at these venues.

As directed by the Council, staff and franchisee representatives have met on several occasions to discuss how to realize the Council Goal. Recent infrastructure upgrades at a nearby composting facility and permits issued by DEQ have enabled the franchisees to undertake a pilot program for commercial food waste recycling. In March, the franchisees submitted the attached request for the City to make compostable material recycling available to all Salem commercial and residential customers.

Two additional actions are required by the City in order to fully implement the new compostable material recycling service in Salem. First, the current solid waste management franchise agreements need to be amended to reflect the recent changes to SRC Chapter 47 and require that the franchisees make weekly collection of compostable material available to their customers. Additionally, the franchisees' rate adjustment request needs to be reviewed to determine if the proposed rates are just and reasonable for the provision of the new service. In accordance with SRC 47.091 and SRC 47.099, hearings have been scheduled for May 17, 2010, to provide opportunities for public comment and testimony prior to any decisions on the actions outlined above.

If the City Council elects to include the provision of the new compostable material recycling services in the current solid waste management franchises, the franchisees have agreed to dedicate resources to educational campaigns focused on increasing the likelihood of the program's success.

**FACTS AND FINDINGS:**

Pursuant to SRC Chapter 47, the City has granted exclusive franchises for the collection of solid waste and source separated recycled material to seven local solid waste haulers represented collectively by Mid-Valley Garbage and Recycling Association.

The existing franchisees have agreed to enter into the attached Amendatory Agreement No. 1. This agreement would amend the current solid waste management franchises as follows:

- The definitions within the franchise agreements have been updated to reflect the amendments to SRC Chapter 47, which became effective with the enactment of Ordinance Bill No. 9-10 on April 26, 2010.
- The subsection pertaining to recycling services has been modified to include the weekly collection of compostable material from customers.

Amendatory Agreement No. 1 is necessary to implement the new compostable material recycling service in the City of Salem.

Attachments:       A. Request from Franchised Haulers  
                          B. Amendatory Agreement No. 1

**Mid-Valley  
Garbage &  
Recycling  
Association**

ATTACHMENT I



Member Collectors  
For Recycling

Kacey Duncan  
Franchise Administrator  
City of Salem  
555 Liberty St. SE/Room 220  
Salem, OR 97301

March 1, 2010

Dear Mr. Duncan,

The Salem Franchised Haulers have undertaken a pilot program for commercial food waste recycling (composting) and would like to begin providing the service to the entire commercial and residential franchised area once the permanent permit for the composting-process necessary to carry out the program has been granted by DEQ. Food waste has been identified as one of the areas identified in the recently approved Marion County solid waste management plan – to increase recovery tons within Marion County and its cities.

The Haulers are now respectfully and formally requesting the City take steps necessary to enable the service including amending the appropriate provisions of the franchise ordinance and franchise agreement and completing a rate review analysis based on the recommended rate adjustment presented to the City by the Franchised Haulers.

- o Anticipated effective start date: July 1<sup>st</sup>, 2010.
- o Anticipated recovery/commercial: up to 6,000 tons of food waste from the Salem area.
- o Anticipated recovery/residential: is 2-6lbs per month per household on service.
- o The only known Oregon compost facility at the present time with a temporary food-waste permit (and permanent very soon) is the PRC in Corvallis. Other facilities that may be considered by local haulers may be receiving full permits from the DEQ in the near/future as well.

In addition to this formal request, we are attaching (electronically) the following:

1. PRC Process/Facility & Collection Method
2. List of Acceptable Items
3. Communication Strategy

If you have any questions, do not hesitate to let us know. Thank you in advance, for your help in expediting this request.

Respectfully,  
Mary Kanz, Executive Director

MK/mk:attachments

*Recycle today . . . for a better Tomorrow!*

Mail: PO Box 9130 Salem, Oregon 97305  
Site: 3680 Brooklake Road N.E., Salem Oregon 97303  
Ph: (503) 390-4000 Fax (503) 393-9648 Cell (503) 409-1413

Printed on Recycled Paper

E-mail: [mary@mrtrashrecycles.com](mailto:mary@mrtrashrecycles.com)  
Web page: [www.mrtrashrecycles.com](http://www.mrtrashrecycles.com)

**AMENDATORY AGREEMENT NO. 1**  
to the  
**SOLID WASTE MANAGEMENT SERVICES**  
**FRANCHISE AGREEMENT**  
between  
**THE CITY OF SALEM,**  
an Oregon municipal corporation,  
("City")  
**VALLEY SOLID WASTE MANAGEMENT CORPORATION, DBA VALLEY**  
**RECYCLING & DISPOSAL INC.,**  
a private corporation,  
("Franchisee")

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**RECITALS**

(a) The City and Franchisee previously entered into a Solid Waste Management Services Franchise Agreement effective February 23, 2009 (the "Franchise Agreement") for the provision of solid waste management services in the City; and

(b) The City enacted Ordinance Bill No. 9-2010 on April 26, 2010, establishing a new compostable materials recycling service; and

(c) The Parties wish to amend the terms of the current Franchise Agreement to allow for the provision of the new compostable materials recycling service.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the mutual benefits and obligations set forth herein, the parties hereby agree to amend the Franchise Agreement as follows:

1. Amend Section 1 as follows, with strikeout wording deleted and underscored wording added:

**Section 1. Definitions.** For the purposes of this Agreement, the following terms, phrases, and their derivations shall have the meanings given below, unless the context specifically indicates otherwise.

1.1 Business Day means each Monday through Friday of every week in a calendar year, but excludes July 4, Thanksgiving Day, Christmas Day, and New Year's Day if such days fall on Monday through Friday.

1.2 City means the City of Salem.

1.3 City Council means the Council of the City of Salem, Oregon.

1.4 City Manager means the City Manager for the City of Salem, or the City

Manager's designee.

1.5 Compost or composting means the controlled biological decomposition of organic compostable material or the product resulting from such process.

1.6 Compostable Material has the meaning given that term in SRC 47.020(e).

1.57 Customer means any person who receives Solid Waste Management Services at a residence or business located within the City of Salem.

1.68 Customer Arbitration Form is means the form provided by the Solid Waste Franchise Administrator to Customers to begin the formal arbitration process between a Customer and a Franchisee.

1.79 Dispose or disposal means the accumulation, storage, discarding, collection, removal, transportation, recycling, or resource recovery of waste.

1.810 Drop Box means a single container designed for the storage and collection of large volumes of Solid Waste, Compostable Material or Recyclable Material, ~~or Yard Debris~~ that is usually ten (10) cubic yards or larger in size.

1.11 Food Soiled Paper has the meaning given that term in SRC 47.020(h).

1.12 Food Waste has the meaning given that term in SRC 47.020(i).

1.913 Force Majeure means acts of God, landslides, lightning, fires, storms, floods, freezing, volcanic eruptions, earthquakes, civil disturbances, acts of terrorism or of the public enemy, wars, blockades, public riots, explosions, and other events which are not reasonably within the control of Franchisee or the City.

1.4014 Franchise means this Agreement between the City and the Franchisee for the provision of Solid Waste Management Services, as authorized by SRC Chapter 47.

1.4415 Franchisee means the Person, business, or entity holding and subject to this Agreement.

1.4216 Generator means a person who produces Solid Waste, Compostable Material or Recyclable Material to be placed, or that is placed, out for disposal. "Generator" does not include a person who manages an intermediate function that alters or compacts the Solid Waste, Compostable Material or Recyclable Material after the Generator has placed the Solid Waste, Compostable Material or Recyclable Material out for disposal.

1.4317 Hazardous Waste has the meaning given that term in Oregon Revised Statutes (ORS) 466.005.

1.4418 Homeowner means a person owning and occupying residential real property or a

person renting, leasing or otherwise occupying residential real property.

1.4519 In-Home Waste Recovery means the clean-up, removal and disposal of solid waste and/or recyclable material from a customer's home or business.

1.4620 Infectious Waste means biological waste, cultures and stocks, pathological wastes, and sharps as defined in ORS 459.386.

1.21 Mixed Compostables means the process where two or more types of Compostable Material are collected together (i.e., not separated) in a combination allowed by the City Manager.

1.4722 Mixed Recycling means the process where two or more types of recyclable materials are collected together (i.e., not separated), in a combination allowed by the City Manager.

1.4823 Operating Statement means an annual income statement of the Franchisee's gross revenues earned, and operating expenses incurred, within the Franchisee's Service Area.

1.4924 Person means an individual, corporation, limited liability company, sole proprietorship, association, partnership, trust, cooperative, governmental unit, estate, or any other entity in law or fact.

1.2025 Receptacle has the meaning given that term in SRC 47.020(u) means a trash can, cart, bin, container, Drop Box or other vessel used for the disposal of Solid Waste that has been approved by the City Manager and into which Solid Waste, Recyclable Material or Yard Debris may be placed for collection.

1.2126 Recyclable Material means any material or group of materials that can be collected and sold for recycling at a net cost equal to or less than the cost of collection and disposal of the same material.

1.2227 Recycling means any process by which Solid Waste is transformed into new or different products in such a manner that the original products may lose their original identity. ~~As used in this Agreement, recycling includes the collection, transportation and storage of Solid Waste done in order to place the Solid Waste in the stream of commerce for recycling or for resource recovery.~~

1.2328 Reuse means the return of waste into the economic stream, to the same or to a similar use or application, without change in the waste's identity.

1.2429 Service means the collection, storage, transportation, transfer or disposal of solid waste by the Franchisee, including such activities that result in recycling or resource recovery.

1.2530 Service Area means the geographic area in which solid waste management

services are provided by the Franchisee, as more particularly shown on Exhibit "A," which is attached hereto and incorporated herein by this reference. As used in this Agreement, "Service Area" does not include a disposal site.

1.2631 Solid Waste ~~has the meaning given that term in SRC 47.020(bb) means solid waste as defined by SRC 47.020(aa), and includes Recyclable Material and Yard Debris.~~

1.2732 Solid Waste Franchise Administrator means the individual designated by the City Manager to oversee solid waste administration for the City of Salem.

1.2833 Solid Waste Management Services means the collection, transportation, storage, and disposal of Solid Waste from Customers; and In-Home Waste Recovery.

1.2934 Source Separation means the separation or setting aside of waste by the Generator of the waste for composting, recycling or reuse.

1.3035 Yard Debris means all vegetative waste generated from property maintenance and/or landscaping activities, including, but not limited to grass, clippings, leaves, hedge trimmings, and small branches, but excluding tree stumps and other similar bulky woody materials.

2. Amend Subsection 3.8 as follows, with ~~strikeout~~ wording deleted and underscored wording added:

3.8 Nothing in this Agreement shall be construed to prevent the City from conducting clean-up campaigns for the collection of Solid Waste, Compostable Material, and Recyclable Materials ~~and Yard Debris~~ from residences in the City, or from in any other way providing for the beautification of the City and the safety and convenience of its citizens in any other way.

3. Add a Subsection 6.4 as follows:

6.4 On-route collection of source separated Compostable Material from Customers provided at least once per week on the same day that other Solid Waste is collected from the Customer.

4. Amend Subsection 10.7 as follows, with strikeout wording deleted and underscored wording added:

10.7 Franchisee shall make a reasonable effort to pick up all material (Solid Waste, Compostable Material and Recyclable Material and ~~Yard Debris~~) blown or littered from a Franchisee-issued Receptacle during the course of collection, that has accrued subsequent to being set out by the Customer and prior to pickup, unless the problem is due to a wind storm with wind gusts in excess of 25 (twenty-five) miles per hour or the problem is a recurring one. If blown or littered material is a recurring problem, Franchisee may leave the material at the Customer's physical address along with a written notice describing the recurring problem.

5. This Amendatory Agreement No. 1 is effective July 1, 2010.

6. Except as specifically modified by this Amendatory Agreement No. 1, the terms and conditions of the Franchise Agreement remain in full force and effect.

**IN WITNESS WHEREOF** the parties have caused this Amendatory Agreement No. 1 to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

**CITY OF SALEM, OREGON**

By: \_\_\_\_\_  
Linda Norris

Title: City Manager

Date: \_\_\_\_\_

**VALLEY SOLID WASTE  
MANAGEMENT CORPORATION**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

May 17, 2010  
7 (d)

DOCUMENT FILED

255 Leffelle St. S  
Salem OR 97302  
April 27, 2010

MAY 03 2010  
CITY OF SALEM  
CITY RECORDER  
RECEIVED

APR 30 2010

MAYOR/CITY MANAGER'S OFFICE

To: Salem City Council  
City Hall  
555 Liberty St. SE  
Salem OR 97301

From: Paula Hyatt

Re: Recycling of additional waste in Green Barrels

I'd be delighted to be able to put egg shells, meat waste, seafood debris, etc. in with the other items - yard debris, some food items now allowed.

However, I'm concerned about some of the other items suggested, such as paper plates, but not with a coating, some kinds of paper items, pizza boxes, waxed cardboard? These items seem confusing to me, and I have a feeling quite a few people will not distinguish between what is or is not allowed. (I suspect some people currently put disallowed items in the Blue Barrels, but some kind of sorter must be used to separate metal, paper, cardboard, etc.

I'm also not please to see that a raise in rate is being considered. I understand that there may be a financial reason for this, but every time something like this happens, it hits some of us whose income does NOT increase. (We are seniors who retired many years ago.)

I do appreciate the services provided - but - - - - -

