

Panel unable to agree on a recycler

Rochelle Olson, Star Tribune

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A long-awaited decision on who will be the next recycler for Minneapolis residents was curbed again Monday by a City Council panel.

The entire council is expected to vote Friday on whether to go with Recycle America Alliance (RAA), Eureka Recycling or stick with current recycler Browning Ferris Industries (BFI).

The council's Ways and Means Committee declined to endorse any option. Council Member Paul Zerby tried to make a motion to back Eureka but found little support. The six-member panel then agreed to put the vote to the full council Friday. Despite months of back-room lobbying, debate and numbers-crunching, council members don't appear to be settled or even leaning toward an option.

Mayor R.T. Rybak also was coy about his preference. "All things being equal, I like to buy local," he said. "We're trying to see if all things are equal."

RAA is a subsidiary of Houston-based trash-hauling giant Waste Management. BFI is owned by Allied Waste Industries Inc., based on Scottsdale, Ariz. Eureka is a smaller local nonprofit with only one primary customer: the city of St. Paul.

Rybak said that if it's close, he wants to support the local company. But he said he's far from promising to veto a council decision that gives the contract, expected to start in May, to another recycler.

The selection process, which started with a request for proposals in October, has been torturous. At one point, the council's Transportation and Public Works Committee sent the recycling companies back to their calculators and asked that they return with their best, final offers.

Both the Public Works Department and the city's Finance Department recommend that the city negotiate with RAA. The finance analysis embraced a provision unique to RAA - fixed pricing.

All three proposals included floor prices, meaning the city would still get the minimal price even if the market fell for a commodity.

RAA offered the city something more: an opportunity to fix through the life of the contract a price for newspaper and aluminum. The downside for the city would be lost revenue if the price climbed above the fixed price. The reverse would also be true: The city would still collect the fixed price if the market price fell.

By Finance Department calculations based on recent performance, the city would reap \$6.21 million over a five-year period from RAA with the two fixed-price options. The city would collect \$5.46 million from BFI and \$5.39 million from Eureka -- without the fixed price options.

Zerby wasn't interested solely in the numbers. "The considerations that aren't strictly economic tilt heavily toward Eureka," he said.

Eureka's local flavor and nonprofit status appeal to supporters. But backers of the other two recyclers say they, too, have a strong local presence and reputations for treating employees well.

During the meeting, council members asked a few mostly technical-financial questions but didn't debate the issue even after Zerby's motion.

Other members of the committee gave no indication of how they would vote.

After the meeting, Eureka President Susan Hubbard said council members are listening to their constituency, which is telling them to go with a nonprofit and "do the right thing."

RAA District Manager Steven Dunn said he was little surprised by the council's indecision after the strong support for RAA from two city departments. He said his company stands up well on issues such as safety, operations and site capability.

He didn't complain about the process. "We went into this with our eyes open knowing there would be a lot of interested parties," Dunn said. "This is the history of this contract with the city. It always has been controversial."

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