



624 Selby Avenue | Saint Paul | Minnesota 55104

651.222.7678 | 651.221.9831 fax

www.eurekarecycling.org

Reduce waste today through innovative resource management.
Reach a waste-free tomorrow by demonstrating that waste is preventable not inevitable.

Updated March 1, 2004

Minneapolis Recycling Contract

The Issue: Sustainable Recycling in Minneapolis

The city of Minneapolis issued a request for proposals in November and will be entering into a new three year contract for the processing of collected recyclables. This decision will have an impact on the environment and on Minneapolis' recycling program for many years and is an opportunity to keep recycling in Minneapolis sustainable.

Eureka Recycling, BFI and Recycle America Alliance (a subsidiary of Waste Management Inc., WMI) have offered proposals to be the city's recycling processor. The Minneapolis Public Works staff recommended WMI each time they reviewed the proposals, despite the fact the Eureka Recycling offered the city the best price overall in the first and second rounds of analysis. When the committee reopened the process to allow proposers to change their original offers, BFI improved their proposal significantly. Now Eureka Recycling and BFI's proposals are virtually identical. The financial evaluation shows the proposals are within one percent, so now is the time to evaluate the other benefits of a contract for recycling processing, including the benefits to the community and the environment. This is where Eureka Recycling cannot be beat.

This contract is expected to generate revenues for both the city of Minneapolis and the contractor that does the recycling processing. The city would receive approximately \$1,250,000 annually while revenues would be approximately \$730,000 for either Eureka Recycling or BFI. (WMI, in their "fixed rate scenario," would keep significantly more of the revenues.) Eureka Recycling is the only proposer that would reinvest any revenues after costs back into the community. We have a proven track record of using all of our proceeds to provide award-winning programs and services that improve the environment. BFI and WMI would send any profits to their corporate headquarters in Texas and eventually disperse them to their shareholders.

Throughout this process it has been stated that the non-cost related benefits of working with a local, nonprofit environmental organization cannot be considered under this proposal process because they are not one of the required criteria. But financial impact is one of the criteria, and there is a true economic benefit if Eureka Recycling is allowed to apply these dollars in the community to improve the environment and promote waste reduction. This is how a city makes recycling sustainable.

~See other side for background information or visit www.eurekarecycling.org for more information~

Background:

Where do council members stand?

On February 17, the Minneapolis Transportation and Public Works Committee was unable to make a clear recommendation:

- Councilmembers Sandy Colvin Roy and Robert Lilligren voted to negotiate with BFI.
- Councilmember Scott Benson voted for the staff recommendation of WMI.
- Councilmembers Dean Zimmermann and Gary Schiff voted to work with Eureka Recycling.
- Councilmember Barret Lane was absent.

The issue was forwarded to the Ways and Means Committee without a recommendation. The Ways and Means Committee includes Councilmembers Barbara Johnson (chair), Natalie Johnson Lee, Paul Zerby, Dan Niziolek, Sandy Colvin Roy and Barret Lane. They are likely to discuss a report being prepared by the Minneapolis Finance Staff on Monday, March 15th and make their recommendation. Then the issue will move to the full city council.

Why wouldn't Minneapolis choose Eureka Recycling?

The Public Works staff and councilmembers voting for WMI and BFI stated aversion to selecting Eureka Recycling is that we are smaller and we have less money. Does this indicate that the city of Minneapolis is reluctant to work with smaller, local organizations and favors the deeper pockets of multinational companies like WMI and BFI? Comparing our cash flow to these large companies is similar to comparing the cash flow of your neighborhood coffee shop with those of Starbucks or your neighborhood bookstore with those of Barnes & Noble. Our annual revenues this year were almost four million dollars where WMI's latest reported annual revenues were \$11.14 billion and BFI's were \$5.5 billion. But simply because we are smaller does not mean we are a financially risky choice. The city of Saint Paul supports Eureka Recycling and holds a ten year contract with Eureka Recycling for collection and processing of recyclables.

Also, the Minneapolis Public Works staff has failed to clarify that Eureka Recycling provided documentation from a qualified bonding company stating they would bond Eureka Recycling on this contract. Although no one knows what the final amount of the bond will be since it is based on the amount of the contract, we have guaranteed to provide adequate bonding for this contract.

Can Eureka Recycling handle it?

The Public Works staff continues to assert that Eureka Recycling's facility is under construction. Our new MRF (Material Recovery Facility), located at 2828 Kennedy Street in Minneapolis, is fully operational and currently handles all of the materials from the source separated program in Saint Paul, which is very similar to Minneapolis. It is ready to handle Minneapolis' materials if we are awarded the contract. Furthermore, Eureka Recycling has a 17 year track record in Saint Paul and as an organization has been directly handling Saint Paul's recyclables at a facility with Weyerhaeuser in New Brighton since April 2003. Eureka Recycling's key staff members each have over 15 years experience in the collection and processing of recyclables.

So the question still remains, why not choose Eureka Recycling?

Besides having the best pricing for the city of Minneapolis, we also have a mission that benefits the residents of Minneapolis. Because we are mission-driven, our reason for offering a proposal to process Minneapolis' recycling is to ensure that the city has the resources to keep recycling sustainable. It is our hope that the leaders of Minneapolis will choose to partner with Eureka Recycling for the sustainable future of recycling in Minneapolis.

Please email or call your city council member TODAY.

To determine your ward, go to

http://apps.ci.minneapolis.mn.us/pi.app/Ward_Selection/Address.asp

You can also access council members' email addresses via the city's website:

<http://www.ci.minneapolis.mn.us/council/>

| Ward | Councilmember | Phone | Email |
|------|----------------------|----------|--|
| 1 | Paul Ostrow | 673-2201 | paul.ostrow@ci.minneapolis.mn.us |
| 2 | Paul Zerby# | 673-2202 | paul.zerby@ci.minneapolis.mn.us |
| 3 | Don Samuels | 673-2203 | don.samuels@ci.minneapolis.mn.us |
| 4 | Barbara Johnson# | 673-2204 | barbara.johnson@ci.minneapolis.mn.us |
| 5 | Natalie Johnson Lee# | 673-2205 | natalie.johnsonlee@ci.minneapolis.mn.us |
| 6 | Dean Zimmermann* | 673-2206 | dean.zimmermann@ci.minneapolis.mn.us |
| 7 | Lisa Goodman | 673-2207 | lisa.goodman@ci.minneapolis.mn.us |
| 8 | Robert Lilligren* | 673-2208 | robert.lilligren@ci.minneapolis.mn.us |
| 9 | Gary Schiff* | 673-2209 | gary.schiff@ci.minneapolis.mn.us |
| 10 | Dan Niziolek# | 673-2210 | dan.niziolek@ci.minneapolis.mn.us |
| 11 | Scott Benson* | 673-2211 | scott.benson@ci.minneapolis.mn.us |
| 12 | Sandy Colvin Roy*# | 673-2212 | sandra.colvin.roy@ci.minneapolis.mn.us |
| 13 | Barret Lane*# | 673-2213 | barret.lane@ci.minneapolis.mn.us |

*members of the Transportation and Public Works Committee

#members of the Ways and Means Committee