

November 15, 2019 (America Recycles Day)

To: Ann Arbor City Council  
From: Tom McMurtrie, Retired City of Ann Arbor Recycling and Solid Waste Coordinator  
Nancy Stone, Retired City of Ann Arbor Solid Waste Education Coordinator  
Re: Ann Arbor's Recycling Processing Bid Proposals: MRF vs Venture Hauling  
CC: Environmental Commission

As a quick introduction, we each served for over 20 years at the City of Ann Arbor managing the city's recycling and waste programs before retiring in 2013/14. Working with Council, the community and contracted partners, we built the original MRF and subsequent upgrades, saw recycling collection grow from monthly to weekly pickups from all curbside and multi-family residences, rolled out labor-saving curbcarts, expanded compost to include food waste, etc.

The City of Ann Arbor closed its Materials Recovery Facility (MRF) in July 2016. The shutdown has cost the City millions of dollars and damaged municipal recycling programs throughout southeast Michigan. Initially City Administration did not want to repair the Ann Arbor's MRF, but environmental advocates persuaded the City to partly reconsider. In response, City officials allowed bidders to propose redeveloping the MRF as an alternate option for managing recyclables instead of hauling materials to a distant facility. City Council will be deciding this matter soon.

**We recommend that City Council retrofit and re-open the shuttered Ann Arbor MRF instead of committing to hauling recyclables to a nonexistent Lansing area facility for the following reasons:**

- 1. An Ann Arbor-area MRF provides benefits that can't be provided by existing or planned facilities more than 50 miles away.**
  - a. The Ann Arbor MRF provides a focus on producing high quality recyclables, closing the loop on the resources in the waste stream, with specific linkages to domestic and regional remanufacturers, instead of relying on inconsistent international markets.
  - b. A local MRF provides the opportunity to re-start the popular and important recycling education programs and tours that were provided at Ann Arbor's MRF for more than 20 years and contributed to the creation of an award-winning recycling program.
  - c. A MRF is the hub of any community's recycling system, and, between 1995 and 2016, Ann Arbor's MRF was the regional hub of recycling programs in the urbanized part of Washtenaw County and neighboring communities.
  - d. An Ann Arbor MRF will meet the needs of municipal, institutional and commercial recyclers in Washtenaw and Wayne County who currently suffer from a shortage of recycling processing capacity. Several communities dropped their recycling service as a result of Ann Arbor's decision.
  - e. Retaining an Ann Arbor MRF reduces the price of recycling processing by increasing regional recycling processing options. A locally-operated Ann Arbor MRF provides

assurances that materials are actually getting recycled, and transparency about where and what they're getting recycled into.

**2. An Ann Arbor MRF provides economic and community benefits that can't be provided by existing or planned facilities.**

- a. Rebuilding Ann Arbor's MRF restores a \$6 million publicly-owned community asset at no capital cost to the City.
- b. A local facility creates approximately 20 union jobs with living wages, health and vacation benefits.
- c. Since the MRF redevelopment proposal has been offered by Recycle Ann Arbor, a non-profit community-based organization, all revenues in excess of cost from the operation will be reinvested in community zero waste services.

**3. An Ann Arbor MRF stimulates regional cooperation**

- a. A rebuilt Ann Arbor facility would stimulate regional cooperation in recycling, because it is almost certain to attract much of SE Washtenaw County's recyclables – as Ann Arbor's MRF used to do.
- b. Without regional processing capacity in SE Washtenaw County, it makes it virtually impossible to create uniform recycling standards for the region, since each community will keep sending materials to different MRFs in the region.
- c. Given political realities, if the Ann Arbor MRF redevelopment does NOT happen now, it is a near certainty that there will be no new processing capacity in Washtenaw County for the foreseeable future, generating zero control, extra costs, and much larger environmental footprint from the county's recycling services.

**4. Redeveloping the Ann Arbor MRF is a far less risky option for processing the community's recyclables.**

- a. The other proposal submitted to the City will crush and bale unsorted recyclables, and haul them to a facility to be built in the Lansing area. The Lansing facility does not exist right now. It has been planned for development to process recyclables in that part of the state, but the facility has not even been permitted.
- b. The Lansing-area MRF proposal ties our recycling program to a region of the state that generates lower recycling volumes, has never had a full-fledged single stream recycling facility, and has never shown the long-term commitment to recycling as in our community. That creates long-term program risk for Ann Arbor's service.
- c. In addition, this facility would be built by a company that has never run a MRF in the United States.

**5. Unfortunately, the City's recycling processing bid process actively discouraged the redevelopment of the MRF.**

- a. The city's RFP required that bidders propose a plan to transfer materials to another facility, while MRF redevelopment was only offered as an option, but even then bidders were allowed less content for response. The proposal also limited pricing options and the reuse or refurbishing of equipment, which is more advantageous. A

- detailed Ann Arbor MRF renovation and operational plan is available.
- b. The RFP required that the proposer hand over the MRF to the City at the end of a 5-years, which is a very short period for any organization to recover their investment. A ten-year contract, with an option to extend, is more standard. While the RFP allows for a longer contract, this provision fundamentally favors off-site solutions, providing a more normal contract arrangement for the new Lansing area MRF.
  - c. At an Environmental Commission presentation, City officials discounted the ability of RAA to manage the MRF. Recycle Ann Arbor has 40 years of nationally-recognized recycling experience and has been a significant partner throughout the city's entire recycling history. Recycle Ann Arbor's proposal assembles a team of experienced partners headed by RAA's CEO who has 30 years of experience in designing and operating MRFs.

**6. The City of Ann Arbor passed a climate emergency declaration at its November 4, 2019 meeting. To address the climate crisis as an emergency, we cannot afford to transport recyclables 60 miles away for sorting.**

- a. The Lansing proposal would send 2.5 trailer truckloads per day 120 miles round trip over ten years, wasting approximately 156,000 gallons over that period.
- b. Baling materials, as suggested in the alternate proposal, would result in a much lower recovery rate, raising the carbon footprint for the program.

Given all these factors, it is clear that redeveloping the MRF has strong advantages for the City over the competing proposal.

Thank you for reviewing our assessments of the recent City's recycling processing contract bids.