



TOWN OF NATICK MASSACHUSETTS

TO: Natick Board of Selectmen
Melissa Malone, Town Administrator
William Chenard, Deputy Town Administrator – Operations
Jeremy Marsette, Director, Natick Public Works

FROM: Bryan R. Le Blanc, Procurement Officer

DATE: April 8, 2019

**SUBJECT: CONTRACT EXTENSION
SINGLE STREAM RECYCLING (SSR), EL HARVEY & SONS, INC.**

In August, 2013, the Town of Natick entered into a contract with E.L. Harvey & Sons, Inc. (E.L. Harvey) for the acceptance and processing of single stream recyclable (SSR) materials that the Department collects at the curbside and at the Recycling Center. The terms of the Contract were for an initial three (3)-year term, with the Town having the sole right to extend the term for five (5) additional one (1)-year terms.

In July, 2016, the Town opted to exercise its first one (1)-year option for renewal. In May, 2017, the Town opted to exercise its second one (1)-year option for renewal. In April, 2018, the Town opted to exercise its third one (1)-year option for renewal.

We believe that it is in the Town's interest to exercise a fourth one (1)-year option for renewal at this time.

The Contract requires E.L. Harvey to pay the Town \$2.50 per ton of SSR material delivered to its facility. This rate per ton is flat with no annual escalator or reduction. The Department collects approximately 3,600 tons of SSR materials at the curbside and another 600 tons at the Recycling Center annually. Through the current contract, the Town receives approximately \$11,000 in annual revenue from SSR materials delivered to E.L. Harvey.

The market for recyclables has deteriorated substantially since the current contract was negotiated. Market research, in fact, demonstrates that there is a current cost of more than \$35/ton to the Town, requiring a payment to the vendor. This places the Town in the position of having to spend money for collection, rather than receiving money.

To ensure that the collection stays a revenue source, rather than an expense, it is desirable for the Town to exercise a third one (1)-year option for renewal of the current contract with E.L. Harvey.

None of this speaks to any background contractual issues between the parties.