

**BOARD OF DIRECTORS
WORKING SESSION**

Boardroom

January 23, 2015

12:00 p.m.

AGENDA

Consider Trash Bag Bids for 2015

Vision and Goals

Zero Waste Policy

Long-term goal of making Recycling a viable solution for our city's sanitation. Ideally, we will be able to have someone pay us to take the majority of our (recyclable) materials, so that we do not have to pay to put it in a landfill. This will allow us to avoid increasing rates in the future, while providing better service.

All-Weather Recycling

- Phase out green recycle container with clear bags so we can begin recycling in all weather conditions
 - Green containers will be redistributed to schools to promote recycling among our children
 - Each classroom will have a recycle bin
- First step in our efforts to achieve a 50% recycling without a PAYT system

Two Paths

All-weather Recycling

- Current system of city employees distributing bags every four months
- Voucher Program, vouchers mailed out every four months

Current System

- Sanitation Department purchases bulk order of trash bags. Bags are distributed to residents' homes by workers on one of their off days, three times per year. Additional bags are then sold to anyone, through the Water Department office
- This system requires additional clear bags to be an all-weather system

Current System Pros

- Residents are accustomed to having bags delivered every four months
- Employees have an opportunity to earn overtime pay

Current System Cons

- Abuse of system (by claiming not receiving bags)
- Theft of bags
- Overtime costs
- Increases workload on water office (selling bags) and can create a bottleneck when water customers are trying to pay their bills
- Not drawstring bags
- Over-delivery of bags

Voucher System

- Under new voucher system, WasteZero will provide bags for sale at local stores (Walmart, Brookshire's, etc.). Instead of passing out bags 3 times a year, WasteZero will send residents a voucher 3 times a year*, which they can use to get a free roll of our trash bags and recycle bags from local stores. If they require additional bags, they can also be purchased at these stores.

Voucher System Pros

- **Encourages recycling** (weather no longer a factor)
- **Reduces landfill costs** (\$18.60/ton) while **increasing revenues for recyclables** (mixed paper \$35/ton minimum)
- **Innovation**
- Enables future material management (recycling) programs
- No overtime costs (potential to incorporate into base salaries)
- Abuse of system minimized
- Removes sales aspect from Water Office, and lets them focus on their customers
- Drawstrings allow for easier handling of bags and less spilled garbage

Voucher System Cons

Change

Jadcore Bid

- 2015 (2 cycles remaining)
 - 100 trash bags + 50 clear (recycle) bags
 - \$56,530 trash bags
 - \$23,338 for clear recycle bags (4,100 rolls)
 - \$79,868 total

WasteZero Bid

- 2015 (two cycles remaining)
 - 100 trash bags + 50 clear (recycle) bags
 - Two cycles of two 25-count rolls (trash)
 - Two cycles of one 25-count rolls (recycle)
 - \$75,755

Staff Recommendation

- Order must be placed promptly to have a system in place for 2nd cycle of 2015
- Award low overall bid to WasteZero for a WasteZero voucher program in the amount of \$75,755

October 24, 2014

City Clerk
City Clerk's Office, City of Arkadelphia
700 Clay Street
Arkadelphia, AR 71923

Re: Invitation to Bid – “Plastic Bags for use in Solid Waste Collection”

WasteZero is pleased to submit a bid to the City of Arkadelphia, AR, in response to your bid request for Plastic Bags for use in Solid Waste Collection. We have received and reviewed all bid information and have successfully fulfilled the Scope of Services outlined in those documents. We further state the submittal shall be firm for a period of 60 days.

WasteZero supplies both high-quality, US-made bags and the valuable services to help get those bags into the hands of your residents. We make all of our plastic bags in our 24/7 state-of-the-art manufacturing facility in Hemingway, SC. The WasteZero Voucher Program™ is our solution to managing the distribution of those bags to residents.

BAG TYPE

In this response, we are providing an alternate bid and within that bid, there are two bag types:

DRAWSTRING Plastic Refuse and Recycling Bags

- 30" x 33", Drawstring, Black, 1.25 mil, unprinted, side sealed
- 24" x 30", Drawstring, Clear, 1.1 mil, printed, side sealed

Drawstring bags are preferred by residents for their ease of use, and by municipalities for their greater capacity and less wasted plastic during the manufacturing process. WasteZero specializes in manufacturing three-ply printed drawstring bags for municipalities. WasteZero has designed and customized your program to fit your needs, right down to the color, artwork, packaging, delivery, and more.

SAMPLES

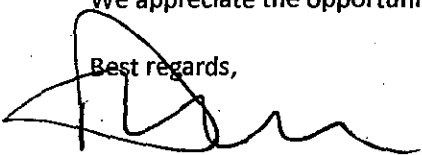
Included are: Recycle – color, dimension & gauge Trash – dimension sample and color & gauge sample

WASTEZERO VOUCHER PROGRAM™

The WasteZero Voucher Program™ includes the production, accounting and reporting, logistics (supply and distribution), and inventorying of bags for the City of Arkadelphia's needs. It also includes production, delivery, and management of vouchers that qualified residents can redeem for free, official trash and recycling bags at local retailers. This approach has reduced the number of wasted, unused bags and has saved other municipalities money.

We appreciate the opportunity to bid the City of Arkadelphia. Please do not hesitate to call with any questions.

Best regards,



Dennis Wise, Vice President
919-322-1228
WasteZero, Inc.

INVITATION TO BID

NOT AN ORDER

You are invited to bid on the following item subject to terms and conditions contained herein. The City of Arkadelphia reserves the right to waive formality and to reject any and all bids in whole or in part. Sealed bids must be received in the office of the City Clerk, 700 Clay Street Arkadelphia, AR 71923, no later than 3:00 p.m. Friday October 24th, 2014 where bids will be read publicly. Bids should be returned in a SEALED ENVELOPE indicating on the outside "Contains Bid on Plastic Bags".

ITEM

Plastic Bags for use in Solid Waste Collection

SPECIFICATION

Weight	1.5 Mi. (.0015) or thicker
Size	30 Gallon, (30" X 37")
Standard Color	Black or Dark Green
Print	random print (logo attached)
Ink color	Light gray off white

Bags must be flat, non-gusseted, and shipped in rolls of 50; each roll must have 50 ties minimum 6 inches in length and must be on a rigid cardboard or recyclable tube 1 ½ " in diameter. Each roll must be secured in its own individual plastic sleeve and be of sufficient strength to be able to be picked up and carried by the end. Rolls are to be shipped in boxes of six. Each bid must be accompanied by a sample of at least 3 bags of type to be furnished if the bid is sealed. (no print on samples)

Order will be for 600,000 – Standard Color
Ship one half of order by April 15th, 2015, ship one half August 15th, 2015.
OR

Voucher System Proposals will be considered as an alternate

BID PRICE (per 1,000bags, FOB Arkadelphia, AR) \$ N/A

Include Arkansas sales tax \$ 6,255

TOTAL BID PRICE \$ N/A

TOTAL ALTERNATE BID \$ 75,755

WasteZero, Inc.

Name of Firm Submitting Bid


Signature of Representative of Firm

EXHIBIT C
Services

1. WasteZero Services Provided to Municipality:
 - a. Voucher Development and Distribution Services: (Continue with the following:)
 1. Work with Municipality to maintain eligible resident/household list
 2. Update list to account for change in eligibility, address and new residents
 3. Create custom voucher with imprinted UPC codes, eligible resident/household, unique identification number and expiration date, subject to Municipality approval
 4. Print and mail vouchers at least two (2) times per year to eligible residents via US Postal Service for a fixed quantity of Official Municipal Bags (refuse and recycling) at dates to be determined with Municipality
 5. Bear risk and expense of re-mailing according to US Postal Service return service requested
 - b. Retail Store Distribution Services: (Continue with the following:)
 1. Deliver secure, dependable supply chain and asset management
 2. Official Municipal Bag storage at WasteZero-bonded distribution centers
 3. UPC code development and registration
 4. Enroll and coordinate retailer setup processes with participating stores
 5. Monitor inventory at WasteZero distribution centers, with a goal to prevent stock out
 6. Receive, enter and process orders from retailers within five (5) business days
 7. Ship Official Municipal Bags
 - c. Accounting and Funds Management: (Continue with the following:)
 1. Billing Retailers for miscellaneous (non-voucher) orders
 2. Collecting funds from Retailers
 3. Informing Municipality of any Retailers put on a credit hold via monthly reports.
 4. Sending notification of Bag Price change to all retailer contacts, approved by Municipality prior to distribution.
 5. Providing monthly reports
2. WasteZero Startup Services and Municipality Requirements: WasteZero will provide the Services in support of the startup timeframe. WasteZero's performance of the Services is dependent on the timely completion of the Municipality's requirements. Municipality acknowledges and agrees that any failure by it to perform its requirements within the applicable timeframes may delay WasteZero's performance. No such delay will be a breach of this Agreement by WasteZero.
3. The Program Start Date will be: April 15, 2015 (date no less than ninety days after the Effective Date of this Agreement).



ARKADELPHIA

It's a great place to call home!

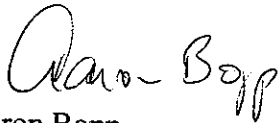
Office of the Sanitation Department
267 Hemphill Road
Arkadelphia, AR 71923
870-246-1803 office
870-246-1813 fax

January 20, 2015

Subject: Jadcore Bag Bids
Attn: Jimmy Bolt, City Manager

Jadcore's original bid only included the cost of black trash bags without sales tax (\$53,080). Including sales tax, this price goes up to \$56,530. To include clear, recyclable bags, there will be an additional cost of \$23,338 (including tax) to include 4,100 rolls. This will bring their total bid cost up to \$79,868.

Sincerely,



Aaron Bopp
Sanitation Supervisor

10/12/2014 21:14 8702461813

CITY OF ARKADFLPHIA

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OR

Voucher System Proposals will be considered as an alternate

BID PRICE (per 1,000bags, FOB Arkadelphia, AR) \$ 88,466 per 1,000 = \$26.54 per case of 6 rolls.

Include Arkansas sales tax \$ If you pay direct we do not collect

TOTAL BID PRICE \$ 53,080.00 Ark. State Sales Tax.

TOTAL ALTERNATE BID \$ N/A

Jadcore, Inc.
Name of Firm Submitting Bid