



Guidance Document For Implementing Local Recycling Cooperatives

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Background

Prior to exploring the implementation of a small business cooperative, it is first necessary to fully understand the concept of a recycling cooperative. A recycling cooperative, by definition, is a group of communities, businesses, or individuals, in a single geographic area, that separate the same recyclable materials for collection by a shared hauler. According to Rural Recycling Strategies: Cooperative Marketing Tool Kit, a recycling cooperative...”consists of a group of individuals, communities or businesses of varying sizes and types, organized around a desire to maximize recycling efforts and improve local and regional solid waste management systems by creating greater opportunities with economies of scale.”

Generally, in a cooperative, members unite to combine their commodities and either contract for collection, processing and marketing services or acquire the equipment necessary to allow them to go direct to market, using their own pooled resources. The co-op brings large and small generators together so that the materials recycled are collected and processed in significant quantities to introduce greater reliability into the marketing process.

Cooperatives can provide small businesses and communities convenient and affordable access to recycling services that can rarely be attracted individually. Because cooperative marketing involves a collective approach to marketing recycled commodities, it helps to stabilize pricing for the smaller recycling programs by cooperatively selling materials in higher volumes. Without cooperation, small-and medium-sized businesses and communities cannot create a stable link with markets for services or processing of smaller volume materials. With support and assistance from the City of Lincoln, the Nebraska State Recycling Association (NSRA), the Nebraska Department of Environmental Quality, the Nebraska Environmental Trust, and Lincoln area businesses, the Lincoln Chamber of Commerce was able to establish a city-wide business recycling cooperative called the Industrialized Nebraskans For Organized Recycling Management (INFORM). WasteCap then worked to develop a model for these cooperatives to be replicated across the State.

Business cooperatives discussed in this guide can target any recyclable material. Each local or regional cooperative can follow the series of steps outlined in this document to design, implement and monitor its cooperative. Each cooperative will experience unique economic and geographic challenges and their approach may need to be adapted to reflect those challenges. The basic design of this guidance document allows it to be utilized by business communities and residential communities and in urban or rural settings. This guide draws from the experiences of the WasteCap of Lincoln and the Industrialized Nebraskans For Organized Recycling Management (INFORM) programs as well as cooperatives that have been in operation in the Northeast Recycling Council (NERC) and WasteCap of Massachusetts.

For more information on establishing small business recycling cooperatives, and for examples of printed materials referenced throughout this Guidance Document, contact WasteCap of Lincoln at (402)472-0888 or the Nebraska State Recycling Association (NSRA) at (800) 248-7328 (in Nebraska) or (402)444-4188.

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Introduction

WasteCap of Lincoln, the Industrialized Nebraskans for Organized Recycling Management (INFORM) and the Nebraska Department of Environmental Quality (NDEQ) have worked together to prepare this document on one community's approach to creating a coordinated business recycling effort. WasteCap of Lincoln is a non-regulatory approach to business helping business recognize opportunities to reduce and recycle their waste. The initial WasteCap programs and similar business recycling cooperatives started on the East Coast in New Hampshire and Massachusetts. The Northeast Recycling Council (NERC) funded these programs, with the support of the U.S. Environmental Protection Agency (EPA), under the President's Climate Change Action Plan. The NERC established pilot programs and a model for small business cooperatives to be replicated nationwide. This document will draw upon the model created by the NERC.

Business Needs

Generally, businesses have three basic needs when implementing a recycling program. They are: 1) The separation of the recyclable material cannot disrupt the operation of the business; 2) Must have prompt and consistent collection services; and 3) The cost of recycling should not exceed the cost of solid waste collection and disposal. A fourth factor for businesses to consider is the revenue generated from the sale of the recyclable material. It is equally important to recognize how recycling can successfully divert measurable quantities of materials from landfill disposal, thereby reducing overall disposal costs.

Purpose

This guide is designed to provide readers with the information and tools needed to establish business-recycling cooperatives. The guide should be used by organizations and individuals with the resources and expertise to work with haulers, businesses and community programs to improve the cost-effectiveness and scope of recycling efforts. Specific audiences include public recycling and solid waste management officials, community environmental and economic development organizations, and business membership organizations such as a Chamber of Commerce.

This document examines how the WasteCap of Lincoln and INFORM programs in Lincoln, Nebraska, worked with businesses in developing a commercial waste reduction and recycling program that addressed these needs. It also outlines some steps that others could follow to develop similar programs in their community. The program also entered into partnerships with the private recyclers who allowed businesses to pay for recycling collection services and share some of the proceeds from the sale of the recyclable material. History of the WasteCap of Lincoln and INFORM Programs in Lincoln.

The U.S. EPA estimates that commercial waste (including waste from schools, industrial sites where packaging is generated and businesses) constitutes between 35 to 45 percent of the municipal solid waste stream. The actual amount of commercial waste generated varies based on the level of commercial activity. In Lincoln, roughly 48 percent of the waste disposed of in the landfill is generated by the commercial sector.

The Nebraska Integrated Solid Waste Management Act of 1992 sets a goal for Nebraska Communities of reducing the amount of waste disposed of in landfills by 50 percent by 2002. In order for communities to achieve this goal, local businesses must play an active role in promoting and participating in waste reduction and recycling activities. This can be initiated by businesses or promoted by local government with the ideal system being a public/private partnership.

In communities where local government provides residential and commercial waste collection, government may play a more active role in promoting commercial waste reduction and recycling than in communities where commercial waste collection is provided by private waste haulers. The approach developed by WasteCap of Lincoln may be more appropriate for communities that have private commercial waste

collection and private recycling processing centers. Some elements of their program may benefit municipally managed waste collection and recycling processing operations as well.

As a result of the Nebraska State Solid Waste Management Plan, 1999, the City of Lincoln established a steering committee to develop recommendations to be included in a comprehensive Solid Waste Management Plan. One recommendation of the plan was to expand commercial waste diversion and recycling by developing a commercial waste audit and education program. In the fall of 1992, a group of local businesses met to discuss opportunities to improve recycling services for local businesses. These businesses were concerned about the level and quality of service they were receiving from the major (and only) recycling processing center in Lincoln.

WasteCap of Lincoln and INFORM have grown quite steadily. At its inception in 1992, INFORM began with 15 members and has grown to 54 members in over 60 different locations in Lincoln and Lancaster County. Growth has included an increase from part-time to full-time staffing, a 33-percent increase in annual funding since 1995, and annual volume recycled has seen a 64-percent increase over the last four years. This growth can be attributed to performing over 80 on-site waste assessments between 1994 and 1999.

Using volunteers from other local businesses, WasteCap of Lincoln conducts on-site field visits to businesses to conduct waste assessments and identify waste reduction and recycling opportunities. All information related to a particular business is kept confidential and a written report is presented to each participating business. The WasteCap of Lincoln program also assists businesses in researching disposal options for specific wastes. Waste Cap of Lincoln has developed printed material promoting waste reduction and recycling and sponsors business workshops and open houses for businesses to learn about innovative approaches to waste reduction and recycling.

Studies have been conducted to identify disposal alternatives for many types of materials; many of these materials are now covered under INFORM'S master agreements. Successful disposal alternatives researched include different grades of fiber and fluorescent light tubes. The disposal of plastics is an on-going issue in Lincoln, and markets are currently being researched to help divert these materials from the landfill. In the unique partnership between INFORM and WasteCap of Lincoln, WasteCap of Lincoln provides the technical services, such as waste assessments and disposal research and INFORM provides the direct services, including administration of master agreements. A sample copy of a master agreement can be found in Attachment A.

The Master Agreements that INFORM has entered into have become a key element to the continued success of the program. The primary purpose of a master agreement is to ensure that there will be a large enough volume from the "anchor" businesses or communities to support the smaller companies and communities purchasing and recycling volumes. In Lincoln, the larger companies feel so strongly that these programs need to support smaller businesses that they are even willing to sacrifice some of their profits to subsidize the small companies. This emphasizes the importance of a business' willingness to work as part of a cooperative program. This Guide will discuss the various roles that can be played by communities and businesses of all sizes to complement one another in a cooperative program. The success of the cooperative depends on the support of all the players, regardless of the size and dynamics of the player.

Seven-Step Program for Implementing Local Cooperatives

The following steps have been excerpted from a document produced by the Northeast Recycling Council (NERC) titled Implementation Guide for Small Business Recycling Cooperatives. Thank you to Michael Alexander of NERC and Lauren Sharfman of WasteCap of Massachusetts for allowing us to utilize their hard work in our guide. The seven steps listed outline the process that has been successful for other communities and businesses when starting a cooperative program. In addition to this Guide, INFORM developed a "Business Plan for Old Corrugated Cardboard Cooperative Marketing Project" in September of 1993. This business plan outlines the history of INFORM and its implementation plan. A copy of this business plan is available in Attachment B of this document.

Getting Started...

The NERC Guide presents a seven-step program to starting a business or community recycling cooperative. The sequence and scope of the following tasks may vary from community to community, and it is important to develop a flexible implementation plan that can easily adapt to unforeseen circumstances. These steps have been included in this Guidance Document with very little editing. For ease of understanding the implementation, following each of the seven generic steps is a brief history of the specific process that was utilized by WasteCap of Lincoln and INFORM.



Step 1: Assess and Identify The Host Community

Communities hosting cooperatives can be suburban, urban or rural. Cooperatives can be successful in a variety of economic and geographic settings. They can be established for a single commercial district in a community, for an entire community, or for several adjoining communities. Although there is no steadfast rule for determining whether recycling cooperatives will be effective in your area, communities that have successfully implemented these projects share the following characteristics:

- An organization with time and enthusiasm to sponsor and coordinate the cooperative.
- A person or organization willing to spend time to promote the cooperative.
- Businesses clustered in a geographic area.
- Medium or large businesses willing to participate to “anchor” the program.
- Recycling service provider interested in providing service to a startup program.
- Businesses interested in recycling.

If you are unsure of the interest level in your community, or if your community has several business areas, you may want to identify a single area in which to start your cooperative and plan to expand from there.

The Lincoln Process For Assessing and Identifying the Host Community:

The Lincoln-based INFORM group began this process in 1992. In the spring of 1992, a Lincoln manufacturing company was recycling 100 percent of the old corrugated cardboard its business generated, as well as many other waste items. Unfortunately, no waste dealer or recycler could financially justify picking up the small amounts of some recyclable materials the company was generating.

Assuming that other Lincoln companies were in the same situation, the Company’s employee Waste Minimization Committee began contacting businesses in their neighborhood to discover others’ interest in recycling.

In the fall of 1992, 10 to 15 Lincoln businesses and various city and state representatives held an inaugural meeting. From this meeting, Nebraska’s first business recycling coalition was created and called the Industrialized Nebraskans for Organized Recycling Management (INFORM). Later, a survey was distributed to members of the Lincoln Chamber of Commerce to determine support for the program. The initial survey and attached letter are available in Attachment C. Results of the survey are discussed in The Lincoln Process for Developing Partnerships.

Step 2: Develop Partnerships

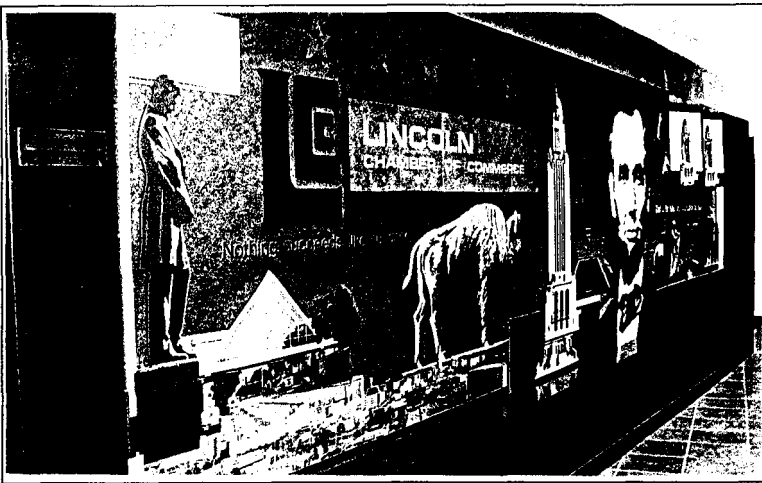
To ensure success, a cooperative should recruit as many local partners as it can. Potential partners include: Municipal recycling coordinators, Chambers of Commerce (or other business membership organizations), Rotary Clubs (or other service organizations), and nonprofit recycling organizations. The level of participation of each partner can vary, but all should be committed to support the cooperative to promote business participation.

Successful cooperatives will work best with motivated community and organization leaders. Strong partnerships will also help in business recruitment and participation and can help reduce the costs of running the program and participating in it.

Potential roles for partners include:

1. Municipal Recycling Coordinator

- Act as liaison between the town residential recycling program and the business community.
- Facilitate opportunities for businesses to participate in the existing residential recycling program.
- Provide information about the cooperative to interested businesses.



2. Chambers of Commerce

- Advertise the cooperative through mailings and newsletters.
- Promote the cooperative when talking to local businesses and new or potential members.
- Provide pro-bono support to the cooperative through mailings, press releases to the local paper, and staff time.
- Designate a staff member to serve on the Advisory Committee.
- Include the cooperative in trade shows and events to help recruit more businesses.

3. Service Organizations

- Promote cooperative at meetings and in newsletters.
- Participate on cooperative Advisory Committee.
- Encourage members to participate.

4. Nonprofit Recycling Organizations

- May be able to provide overall coordination for program development and implementation.
- Advise local partners on program design.
- Provide technical assistance to develop a contract and select a service provider.
- Serve as a liaison between partners and the recycling service provider.
- Assist recycling service provider with outreach and education.
- Recruit businesses to participate.

The Lincoln Process for Developing Partnerships:

The initial INFORM businesses, in cooperation with the City, conducted a mailed survey (see Attachment C.2), with 285 local businesses responding, to determine their satisfaction with recycling services and interest in receiving assistance in identifying waste reduction and recycling services. Sixty-five-percent of the businesses stated that they already had some type of recycling program. Thirty percent of the businesses said they were dissatisfied with the current level of recycling services and 75 percent of the businesses indicated that they would be interested in receiving assistance on conducting an internal waste assessment to identify waste reduction and recycling opportunities for their businesses. Roughly 85 percent of the businesses expressed interest in participating in an officepaper recycling program, and 75 percent indicated they would like to participate in a cardboard recycling program if it would be economically feasible.

The INFORM coalition and the City of Lincoln approached the Chamber of Commerce about coordinating a program to assist local businesses to reduce and recycle their waste. The City provided the Chamber with grant funds from the Nebraska Department of Environmental Quality (NDEQ) to hire a part-time staff person to help develop a technical assistance program as well as assist the INFORM group to improve recycling services. The WasteCap of Lincoln model was adopted for the technical assistance arm of the program while the INFORM program is responsible for direct services to participating businesses.



Step 3: Form an Advisory Committee

Once the partners are established, an Advisory Committee should be formed. The Advisory Committee should include individuals representing their own organization and supporting the development of the cooperative. This committee will provide the leadership for the program and organize steps four through seven.

Committee Members' Responsibilities:

Committee members may include property managers, commercial real estate agents, active Chamber or Rotary members, and local recycling and solid waste officials who are familiar with businesses, business locations and business people in town.

Advisory Committee members should be enthusiastic and willing to reach out to their neighboring businesses. The members should be prepared to meet frequently at the beginning of the process (once each week or two weeks). This time commitment will decrease dramatically once the cooperative is up and running. Committee members may also be asked to provide pro bono assistance to the cooperative or be willing to seek it from others. The level of volunteerism will be dependent upon whether there is a paid coordinator and project budget or whether this is entirely a volunteer effort.

An Advisory Committee will guide the direction of the cooperative and establish its timeline. It should be composed of representatives from the partnering organizations. An Advisory Committee may also include representatives from the host community and the hauler or service provider.



The Lincoln Process for Forming an Advisory Committee:

In addition to the suggestions offered by the Northeast Recycling Council, it is important to note that the Advisory Committee's primary responsibility is the development of mutually agreeable specifications for collection, processing and marketing of recyclables under a master agreement. This process should include analysis of bids, selection of a bidder, and monitoring of ongoing agreements. Furthermore, members of the Advisory

committee should consist of businesses and public decision makers. Although it is important to have input from haulers and recyclers, they should not be a representative of the cooperative in a market decision-making role.

WasteCap of Lincoln's Advisory Committee consists of representatives from three small generators, three large generators, representatives from the Chamber of Commerce, the City of Lincoln and the State of Nebraska, and the Advisory Committee's Chairperson. The WasteCap of Lincoln Advisory Committee meets on a monthly basis. Advisory Committee members provide assistance in the form of grant application review, publication writing and editing, development of new recycling programs and strategies, and contract negotiation.

When WasteCap of Lincoln was organized in 1994, the program started with a part-time coordinator to oversee daily operations. Today, WasteCap of Lincoln has a full-time Executive Director on staff to act as a liaison between the business community, the City of Lincoln and the Lincoln Chamber of Commerce. The Director is also the coordinator for all INFORM activities including providing contract negotiation services with recycling service providers and managing all of WasteCap of Lincoln's current grant activities. Funding is also now available to finance an Administrative Assistant to provide office support. Internships are also offered to local students for special projects, such as plastic market research, web page management, and development of promotional and educational materials.

Step 4: Design the Program

Once a community, a sponsoring organization and an Advisory Committee are selected, the cooperative's structure can be designed. Surveys can be used to collect the information you will need to design the program. Cooperatives can be modeled to provide pickup service for participating businesses or to provide recycling containers in central locations for businesses to use as drop-off sites. The two models of recycling have distinct advantages and disadvantages.

Drop-off Programs

A drop-off program is designed so that businesses bring their material to a centrally located container. It works best for many businesses with small quantities of recyclables located in a densely populated area. Compared to pick-up programs, drop-off programs:

- Are quick to set up; they require only an identified and approved centralized location and a dumpster to be delivered to the drop-off site.
- Require up-front costs of purchasing or renting a dumpster.
- Require motivated business people to walk with their recyclables to the drop-off location.
- Are likely to lose participants without frequent oversight and reminders.
- Make it harder to identify who is putting contaminants into a dumpster.

Some hints about drop-off programs:

- Obtain a dumpster that locks to ensure confidentiality of materials and to ensure that it is not used as a local trash repository.
- Locate the dumpster near a central parking lot or area where it is easily accessible to participating businesses.

Pickup Programs

In a pickup program, a designated hauler conducts a "milk-run" collection of accumulated material at participating businesses. This model requires the availability of a service provider with transportation capabilities to conduct pickups at multiple sites and the ability to supply participating businesses with collection containers. In this model, each business separates the recyclables inside its office. The hauler picks up the materials from either the office itself, the front door of the building, or the loading dock. The location of the bins prior to pickup should be determined with your service provider and explained to the businesses during the recruitment process.

The Advisory Committee will design the cooperative to meet the needs of the local businesses. The Advisory Committee should determine the type of program they want to create and how that program will be marketed.

For small business recycling cooperatives to be economically attractive to service providers, the quantity of materials available must be maximized and the number of pickups minimized. Following are tips for ensuring that this occurs:

- Schedule pickups once a minimum threshold for the quantity of material generated is reached. For instance, pickups can be scheduled on a designated day each week, and businesses meeting the threshold can contact the service provider prior to the pickup day to request service.
- Coordinate neighboring businesses to consolidate materials. If several small businesses are situated in close proximity to one another, materials can be placed at a central location that is easily accessible to the service provider.
- Work with property managers to sign on entire buildings. Building owners and managers can play an important role in coordinating their tenants into cooperative programs. Such arrangements can translate into significant quantities of materials for service providers at centralized locations.

The Lincoln Process for Designing the Program:

One idea that was not mentioned by the NERC is that a hybrid of the two programs, drop-off and pickup, can be useful if the combination is determined to be feasible by the co-op members. There are many pros and cons to each of the programs, and all aspects should be examined carefully. In each case, it is important to have designated, clearly marked containers for collection as well as having those containers in an easily accessible location for the program participants and the service providers.

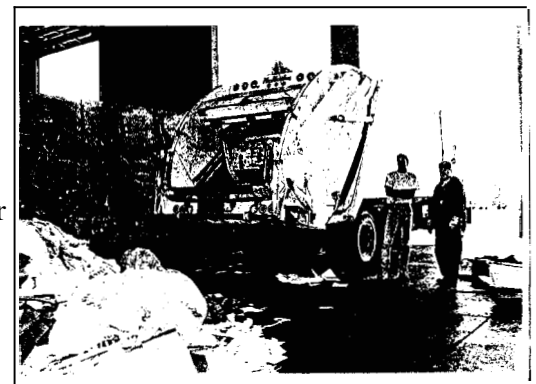
The Lincoln INFORM program chose to use a Pickup program for its business members' recycling needs. Lincoln is very unique from many communities regarding recycling and trash-hauling services. This uniqueness comes from having nearly 50 garbage haulers and, at the time, only one recycler in town. Because of these factors as well as the dynamics of the Lincoln business community and the volume of materials generated, it was found that a pickup program would be the only useful design. To develop this program, INFORM needed to use a bid process as well as establish acceptable standards for collection services.



INFORM helps participating businesses establish minimum performance standards for recycling collection services. INFORM has developed master agreements with collection contractors outlining the service they should provide and the costs for that collection service. They also have master agreements regarding the processing of the recyclable material and a formula for payment to the business for the recyclable material. The INFORM group has collection and processing master agreements for cardboard, office paper, fluorescent light tubes, and remanufactured print cartridges. They also have developed a recycling container lease/purchase program that allows businesses to reduce their costs of recycling and a cooperative purchasing program of recycled content products.

The master agreements that INFORM has developed come in the form of a Memorandum of Understanding between all INFORM members and recycling service providers. These memoranda help to ensure that consistent services are provided to all INFORM member businesses, regardless of size. As a result of INFORM's paper master agreement, which includes mixed office paper, newspaper, magazines, and old corrugated cardboard, INFORM member businesses recycled nearly 20,000 tons of paper between 1995 and 1998. The fiber materials recycled represent a landfill disposal cost savings of close to \$300,000 based on the current \$16 per ton tipping fee at the local landfill. At an estimated average of \$25 per ton payment for materials, the estimated revenue from those materials is approximately \$500,000.

In addition to the fiber agreement, INFORM members recycled nearly 300,000 light tubes between 1996 and 1998. Between 1995 and 1998, INFORM members have recycled approximately 45,000 tons of combined materials, including metals, plastics, glass and other miscellaneous recyclables. The landfill cost avoidance for those four years totals approximately \$720,000. Along with the estimated revenue from profit sharing, the return for each dollar spent on the program is about \$9.50.



The container lease program was developed to help reduce a business' monthly fees associated with recycling. The program was initially funded through a grant from the Nebraska Department of Environmental Quality. The container lease program is a lease-to-own program in which INFORM members will lease a dumpster or totes at a reduced monthly rate and will have ownership of the containers at the end of the lease period. This program has saved members as much as \$53 each, per month each in monthly container rental fees.

Step 5: Recruit a Recycling Service Provider

Selecting a service provider is critical to the success of your program. Service providers should be informed that cooperatives have been successful in other communities and can be a good business decision for them. The following steps should be considered:

1. Gather a list of recycling service providers in the area. You may also want to contact your town's recycling service provider or Department of Public Works to inquire if there are any opportunities to add businesses to the town's program, or whether public facilities might be used for transportation, consolidation and/or processing of materials.
2. Send out a letter to all service providers explaining what you are trying to do. Ask service providers to respond. Include some parameters and some opportunity for their suggestions. Include in the letter the benefits to the hauler (presence in the community, opportunity for expanding their business if they haul either additional recyclable materials or recyclables and trash, potential to collect large amounts of materials, and having a dedicated person other than themselves market and promote their services) and the goal of the program (increase recycling).
3. Meet with the Advisory Committee, the Project Coordinator and recycling service provider to evaluate the responses. Develop a list of questions and invite the top proposal or several proposals to a meeting.
4. Select a service provider, meet with the selected service provider, and develop a plan agreeable to all parties. Service providers should be willing to work with the Advisory Committee to design a program that works for all involved parties.
5. Execute a contract or agreement. Once a prospective service provider is identified, contract negotiations are conducted to finalize the design and financial parameters of the service arrangement.
6. Establish a price structure. How the cost for the recycling service is structured is critical to the success of the cooperative. It is important to develop a price structure so that small businesses do not bear the burden of paying the highest prices. Three options may be considered:

I. Time plus materials:

This price structure is based on having the value of the collected materials cover the hauler's costs of collecting and baling the materials. The danger is that it depends on a fairly steady recycling market and fairly highly valued recyclable material.

Example:

If the hauler spends two hours collecting the materials and one hour baling the materials, it will cost the hauler for that time. Then, the hauler will sell the bales of recycled materials. The sale price needs to be equal or more than the hauler's cost. If this is not the case, businesses will need to pay a fee to cover the hauler's cost. If the sale price covers more than the collection cost, the cooperative and the hauler could establish an agreement to split the profit.

In this scenario, the Advisory Committee should ask the hauler:

- The price per hour to collect the materials
 - The estimated time it will take to collect the materials
 - The cost of sorting and baling the materials
 - Any other costs the hauler might incur (providing bins for the participating businesses, etc.)
 - The current market rate for the materials
 - The split ratio for the profit
 - How the businesses will be charged until they meet the break-even point
- What the maximum cost to the businesses will be if the recycling markets fall

II. Pickup and rental fees:

This price structure is based on the traditional pickup fee plus bin rental fee. Since this option is based on individual businesses, it does not offer the potential for individual businesses to save money by participating in a cooperative. In this case, special services (e.g. a smaller minimum amount of material that needs to be collected per stop) or a discount from the hauler's regular prices (e.g., all businesses signing up for the cooperative will receive a 10-percent discount from the hauler's regular rates) should be negotiated. This method would give credit for services provided in a densely populated area and reward the Advisory Committee for marketing the program.

III. Incentive to sign up businesses:

This price structure is fixed on a sliding scale based on the number of businesses recycling. For example, the first 20 businesses pay a single pickup rate. Then, the cost for all businesses is reduced with the addition of the 21st business, and reduced again with the 41st business, etc.

2. Establish a service structure. A service structure includes the day each week that recyclable collection will be provided, the types and size of bins that will be available to each business, and whether businesses will be on an on-call or weekly collection schedule. The hauler should also be asked to provide to businesses and the committee collection data on a regular basis.

3. Finalize a contract or an agreement with the recycling service provider.

4. Work with the recycling service provider to make sure that educational materials and brochures accurately communicate the quality and quantity requirements of the program.

5. Work with the recycling service provider on how to recruit businesses. Many service providers will welcome help in recruiting businesses. Other service providers will want to visit the site themselves before signing up the business. If your hauler will let you market the program, be sure that you understand all their requirements for participating businesses. One thing to consider when recruiting businesses in pickup programs is that haulers should not and often will not walk up and down stairs with large recycling containers (which can weigh over 100 pounds when full).

Delaying the selection of recycling service providers until a sufficient number of businesses have agreed to participate in the program has advantages. This enables the program coordinator to provide potential service providers detailed information on the location and material generation type and quantities for each participating business. Potential service providers can also be provided projections of quantities of material available in the future assuming additional businesses participate in the program over time. However, without this information, it may be difficult for a service provider to respond accurately and fully to the RFP and to definitively commit to the program.

The Lincoln Process for Recruiting a Recycling Service Provider:

For the Lincoln INFORM program, the direct services provided by INFORM range from preparation and oversight of Memoranda of Understanding for collection services, processing of materials, and purchasing of recycled or remanufactured supplies. INFORM's first focus was that of recycling old corrugated cardboard. Requests for proposals were sent to haulers and processors and initially, two processors were chosen to sign agreements. Copies of the original materials distributed with the request for proposals can be found in Attachment D: Contracting Services.

Because INFORM has members with very large volumes, they were able to negotiate an agreement where even small generators who were members of INFORM would have their recyclables serviced, regardless of volume. It is important to use the large businesses to "anchor" the program and provide enough volume to help support the hauler's costs that are associated with several small generator pickups.

The initial agreements provided a formula for profit sharing and service fees associated with the commodities being recycled. Eventually, office paper was added to the fiber contract and hauling charges were developed. Included in the memoranda is the requirement that haulers and processors meet minimum performance standards and abide by the general terms and conditions that were set forth and developed by the member businesses. After one of the processors went out of business, Lincoln was left with one processor.

Because of the continuous changes in the composition of INFORM, it became difficult for the one company to service all of the INFORM members in a cost effective manner. At that time, a generic memorandum of understanding was introduced to several haulers in the Lincoln area. This has allowed members to choose a service provider that most meets their needs based on the volume and types of materials that they generate. In addition to the fiber and hauling memoranda, INFORM has memoranda for the collection and processing of fluorescent light tubes and the purchase of remanufactured toner cartridges and recycled content office supplies.

A bidding process was used for all three of the remaining memoranda. The fluorescent light tube collection and processing memorandum ensures that all INFORM member businesses are charged the same price for the proper disposal of lamps. The remanufactured toner cartridge memorandum gives set pricing for INFORM members for remanufactured cartridges and even provides a payment for certain types of cartridges. The newest INFORM memorandum includes the purchasing of recycled content products.

Through a grant provided by NDEQ, WasteCap of Lincoln and INFORM performed a feasibility study, including a bid process, to find a distributor that would work with the INFORM Coalition to develop a recycled product purchasing program. It is very important to develop these types of purchasing programs to create a market for the materials being recycled. The company that INFORM is currently working with sells over 1,400 recycled content materials that have been separated into a special catalog for recycled content products. Most importantly, the office supply company has offered INFORM members a minimum discounted price for purchasing from that catalog through this special cooperative purchasing program.

All of the materials used for the initial bidding process can be found in Attachment D.

Step 6: Recruit Businesses

Business recruitment is an ongoing process that occurs throughout the startup and maturation of the program. The more businesses participate in the program the greater the economies of scale. Economies of scale increase the cost effectiveness of the program for both businesses and service providers. Following are a number of steps to assist you with the business recruitment process.

1. Sign up businesses:

- Develop a brochure or an introductory letter to advertise the program.
- Use your advisory committee to spread the word.
- Advertise the cooperative in local papers and newsletters.
- Work with property managers in your community to sign on whole buildings at once.
- Distribute brochures through the mail and at public buildings (libraries, city hall).
- Hold a press conference with the mayor or other public officials at a local event.
- Conduct presentations at local meetings.
- Submit articles to local newspapers.
- Develop spots for public access cable and radio shows or volunteer to be a guest on a local program.
- Offer incentives donated by a local business (reams of recycled paper, discount lunch coupons, etc.).
- Acknowledge participating businesses in newspapers and through word of mouth.

2. Education

Develop flyers or posters announcing what materials can and cannot be recycled in the cooperative program. (Check with your service provider. They may already have and distribute these materials). An employee should serve as an on-site program coordinator at each participating business. This individual is the point person for the program, and is responsible for coordinating material separation and pickup or drop-offs. If businesses are on an on-call pickup program, they should be made aware of who to call when their recycling bins are full and what that person's telephone number is.

Businesses should be encouraged to collect a minimum amount of materials before contacting the service provider for pickup. By having an on-call schedule (calling for pickup when recycling bins are full, as opposed to having an automatic, weekly pickup regardless of how full bins are), the service provider can benefit from economies of scale by collecting the largest amount of materials at one time. Obviously, for some businesses such as print shops or large offices, weekly pickups will be required.

The Lincoln Process for Recruiting Businesses:

(NOTE: In some instances, Steps 5 and 6 can be reversed and work just as effectively. INFORM did have many businesses involved before recruiting a service provider)

WasteCap of Lincoln has utilized several forms of membership recruitment. First, waste assessments are used to help businesses recognize their recycling potential as well as what WasteCap of Lincoln and INFORM have to offer their company. Second, WasteCap of Lincoln utilizes several local sources of media, such as the Chamber of Commerce newsletter and local business journals. Third, a monthly newsletter is sent to all INFORM members as well as potential members that may have an interest. Finally, INFORM hosts monthly meetings, open houses, and workshops for local businesses. These main forms of advertising and membership recruitment have been very important in developing the INFORM membership base.

The waste assessment provides valuable information to businesses regarding the amount of waste generated, the costs of traditional disposal, recycling opportunities and the economic costs and benefits of implementing recycling within the local businesses. Unfortunately, many businesses are not aware of the quantity of waste generated or the cost of solid waste disposal. WasteCap of Lincoln assists businesses in focusing on these issues and identifies savings in their disposal costs if material is diverted for recycling. One Lincoln business estimated that they generated 300 tons of cardboard per year.

As a result of the waste assessment, it was determined that the business generated 800 tons of cardboard per year and that a recycling program for their cardboard would significantly reduce their solid waste disposal costs. Suggestions on how to perform a waste assessment are found later in this document.

Local media sources have been used as an advertising source for WasteCap of Lincoln and INFORM. Whenever possible, press releases are developed for many local newsletters and business journals in Lincoln. In addition to the press releases, letters are sent to Chamber of Commerce members offering our free waste assessment services. Each letter is followed up on with personal phone calls to the company explaining the benefits of INFORM membership.

To keep members and partners apprised of current events and commodity pricing, a monthly newsletter is faxed. The newsletter gives current market pricing based on INFORM's memoranda for processing and outlines current events. Any upcoming workshops, product shows and meetings are advertised to the members through this newsletter. Also, national and regional articles taken from other publications are included. It has been a very effective tool for keeping members up to date.

As part of WasteCap of Lincoln's contract with the City of Lincoln, WasteCap of Lincoln hosts workshops, open houses and monthly meetings with speakers. WasteCap of Lincoln has hosted two recycled content products shows and several open houses at participating INFORM businesses. In September of 1999, WasteCap of Lincoln partnered with several local organizations to provide tours of three Lincoln businesses for National Pollution Prevention Week. Each month, INFORM holds a membership meeting at different member-business locations. A speaker is invited to each meeting to discuss many different topics that may be pertinent or of interest to member businesses. All meetings are open to the public and will sometimes bring in prospective members. In addition, the WasteCap of Lincoln Directors have presented the WasteCap of Lincoln and INFORM models at workshops statewide and to other organizations across the nation.

Step 7: Monitor and Modify the Cooperative

It is important to keep businesses apprised of progress (e.g., how much material is collected and diverted from landfills) and modify the program as necessary. For example, change mixed paper collection to white paper if the markets demand it; change the minimum requirement for pickup; offer drop-off options, etc. Consider opportunities to expand the cooperative by adding new materials to recycle or recycled content materials to purchase cooperatively.

The Advisory Committee and partnering organizations must monitor the Cooperatives' initial performance to ensure that it is on its way to sustainability.

Below are a few questions to consider:

- Has your Advisory Committee continued to meet since the cooperative was started?
- Have you received feedback from participating businesses?
- Have you received feedback from the recycling service provider?
- Are businesses maintaining their participation rates?
- Do you need to make additional outreach efforts into the business community?
- Are businesses of all sizes having their needs met through this cooperative?
- Are the needs of all interested businesses being met?
- If no, is it possible to re-negotiate with your service provider to accommodate these businesses?
- If no, is it possible to work within your community to provide other recycling services to these businesses? (i.e., set up additional drop-off sites)
- Are there opportunities to expand the cooperative to include additional recyclable materials or to incorporate or increase recycled product purchasing?

The Lincoln Process for Monitoring and Modifying the Cooperative:

WasteCap of Lincoln and INFORM have been continually updating and monitoring these programs since their inception. When INFORM began in 1992, businesses started with a memorandum of understanding for the collection and processing of old corrugated cardboard. Once that program was in place, office paper, newspaper and magazines were added. Later, a request for bids was sent for the collection and processing of fluorescent light tubes, and a processor was chosen for that memorandum. The same processes have been in place to add memoranda for purchasing remanufactured toner cartridges and recycled content office and janitorial supplies. Currently, INFORM is working with a local recycler to develop a program for processing post-industrial plastics. In 1999, a new memorandum for hauling was also implemented.

As part of the hauling and processing memoranda, haulers are required to submit quarterly reports to the WasteCap of Lincoln office as well as to individual businesses regarding volumes of materials collected at each business. This assists WasteCap of Lincoln in determining the success of the program and if any improvements need to be made. Follow up calls to each hauler also help to determine if there are any collection concerns with certain businesses that can be addressed with the businesses. This may include items such as the contamination of recyclables and the frequency of pickups or sorting of materials. The tracking of the materials becomes pertinent to measuring the success of the program when measuring success in volume, revenue and disposal savings.

Summary of INFORM

Evolutiod Time-line

INFORM

- | | |
|----------------|--|
| October 1992 | Isco Environmental Division hosted first meeting of concerned businesses to discuss improving recycling collection services. |
| Fall 1992 | Businesses adopt the name of Industrial Nebraskans for Organized Recycling Management (INFORM). |
| Spring 1993 | Businesses target cardboard recycling as opportunity to work together to improve recycling services. |
| September 1993 | INFORM business plan for OCC (cardboard) Cooperative Marketing Project developed. |
| June 1994 | Enter into contract with local waste paper processor to collect and process old corrugated cardboard from businesses. |
| June 1995 | Enter into contract with local waste paper processor to collect and process office paper. |
| Fall 1996 | Fluorescent bulb recycling agreement signed. |
| Fall 1997 | Remanufactured toner cartridge recycling agreement signed. |
| Fall 1998 | Cooperative purchasing program of recycled content products established. |



Summary of WasteCap of Lincoln Evolution/Time-line

WasteCap

- Fall 1992 City of Lincoln receives a grant from the Nebraska Department of Environmental Quality to promote waste reduction and recycling in the commercial sector.
- June 1994 Survey of Chamber of Commerce members regarding recycling services conducted.
- November 1994 City and Chamber of Commerce enter an agreement to establish the WasteCap of Lincoln program.
- January 1995 Part-time staff person hired by the Chamber of Commerce
- Spring 1995 First Business Recycling Services Workshop held; Director of New Hampshire WasteCap Program speaks at the workshop. First waste assessment conducted by WasteCap Program.
- January 1996 WasteCap Coordinator position becomes full-time.
- Fall 1997 WasteCap sponsors "Buy Recycled Product Fair"; WasteCap develops and prints first Recycled Content Product Catalog.
- February 1999 Second Recycled Content Products Show and seminars held.
- Spring 1999 Second edition of Recycled Content Product Catalog printed; Waste Reduction and Recycling Guide to Businesses developed and printed.



Waste Assessments

Waste Assessments have grown to be a very important element in the WasteCap of Lincoln model. This on-site evaluation of a business's waste stream is performed by a team of volunteers and is offered to businesses free of charge. All information gained from the assessment is kept confidential. Volunteer assessors from participating INFORM businesses are chosen based on their experience with the individual company's type of industry. The findings of the assessment are gathered and an evaluation report is created. The report includes the findings of the assessment, cost savings information, and suggestions for implementing a recycling program within the business. A large majority of INFORM members joined because the waste assessment performed by WasteCap of Lincoln offered them unique waste disposal and cost-saving alternatives that they were previously unaware of.

Below is a detailed outline discussing waste assessments and possible routes that can be taken when performing an assessment.

A Waste Assessment is a process that provides:

- An examination of the types of waste that are generated and/or disposed of by a business.
- An estimation of the weight or volume of waste that is disposed of by a business.
- An examination of the waste handling process of a business.
- Suggestions for improvements in the business's waste management operations.

Setting up the Assessment:

A waste assessment should be planned ahead about two to three weeks to give the business time to complete a pre-assessment survey. A sample pre-assessment survey can be found in Attachment E.1. This pre-assessment is designed to determine the following:

- What type of business is it? How many employees? Size of facility?
- Any current waste reduction programs?
- What does the company perceive as their waste reduction issues? Are there any uncommon wastes? Hazardous wastes?
- What is the company expecting as an outcome from the assessment?

The assessor should plan on one to two hours on site for pre-assessment discussion and walk through. The following tips will assure a complete and beneficial assessment:

- Give the business a background of who you are, what you will be doing and why you do it.
- Create a level of comfort with the company. Build rapport and let them tell you about their business.
- Explain your business.
- Ask lots of questions and take lots of notes so as not to exclude anything. Some key questions include:
- Who moves trash? How often? What are the monthly hauling costs?
- Is management willing to work with a waste reduction program? Are they willing to form a committee?
- How can you help them?

It is also very important to discuss the waste handling process with the custodial staff. In some companies this is a janitorial service and in others, it is an in-house position. Either way, the people who handle the trash are the people who know what is being thrown away and in what volumes and frequencies.

Conducting the Walk-Through:

Start the assessment in the receiving areas. While walking through the facilities and offices, observe how waste is handled and moved. End the assessment with the dumpsters or compactors.

Areas to check along the way:

- Offices/workstations
- Fax/copy stations
- Manufacturing areas
- Shipping/receiving areas
- Breakrooms/lunchrooms/cafeterias

What to look for:

- What types of containers are used for trash/recycling?
- What types of wastes are in containers?
- How full are the containers?
- Is there a more "strategic" place to locate trash/recycling containers?
- How often is trash emptied?
- Are containers "co-mingled" or are they source-separated for ease of recycling?
- Are there any current recycling programs in place? Are they working well or are they in need of improvements?

Examining the Types of Waste

- What types of waste does the business generate on a regular basis?
- Is the wasterecyclable? Reusable?
- Is the waste specific to certain areas? How difficult would it be to sort the waste?
- Can any of the waste types be eliminated or reduced? I.e. packaging, etc.
- Are there large volumes of certain wastes?

Estimating the Volumes of Waste

- What sizes and types of containers are being used for trash? Recycling? (Sizes and types of containers help to determine volume in each container when emptied.)*
- How full are containers when emptied? How often are they emptied? (Frequency of pickup helps to determinetotalvolume.)*
- How much of each waste type is represented in the container?

Examine the Waste Handling Process

- What sizes and types of containers are being used for trash? Recycling? (Are the containers too small or would a different type of container better serve your purpose?)*
- Is waste handled by employees or a janitorial service? What information can the janitorial staff supply about the process? What have they noted
- How often are waste receptacles emptied? (Are they emptied too often?)*
- Where are the receptacles located?
- Desk-side, copy centers, workstations, manufacturing areas, etc.

These steps have been purposely duplicated because the information that is needed for each process varies. See notes within parentheses.

Brainstorming for Improvements:

- Which wastes can be minimized?
- Which materials are recyclable? Reusable?
- Are there re-use or recyclable alternatives to current materials?
- What markets are available for the materials?
- What sizes and types of containers would work best for this company?
- Strategize the placement of containers to make them easily accessible for employees and close to the manufacturing areas that will generate the wastes.
- Desk-side, copy stations, workstations, etc.
- Talk to janitorial staff for suggestions.

The Waste Assessment Report: What should Be Included? (This is done back at the office)

- Observations of the Walk-through: “As an outsider, this is what I saw.”
- Findings from the Walk-through: “Certain programs are working, others are not. These are some reasons why:...”
- Suggestions: Suggest which materials can be recycled or reused and a process for doing so. Which programs would work best for this type of company?
- Economic Analysis Information: Suggest cost-saving alternatives and possibilities, potential income for the sale of commodities, start-up costs, monthly service fees, etc.
- Return to the company within two to three weeks

Internal Waste Audits:

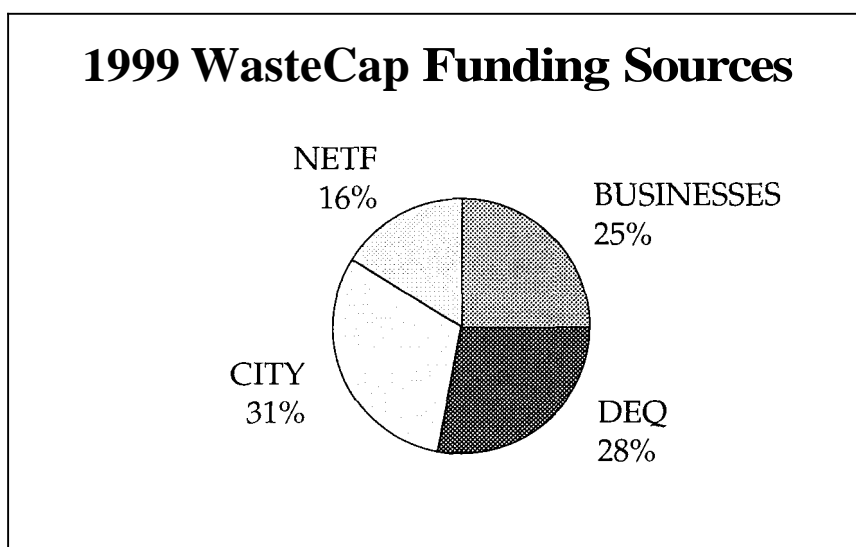
Internal waste audits can be performed by staff rather than bringing in an outside assessment team. The New York State Department of Economic Development, Environmental Management Investment Group has developed a Waste Audit Manual that can assist companies when performing an internal waste audit. Some suggestions include:

- Audit the trash for a couple of weeks to help estimate volumes and types of wastes.
- Use worksheets or checklists to help track the information and try to keep the tracking as uniform as possible.
- Quantify volumes and identify types and sources of wastes.
- Look for reuse/ reduction/ recycling possibilities.

In addition to the internal waste audit, companies can determine the costs of recycling services based on some simple formulas that have been derived by the WasteCap of Lincoln office. The formulas provided in Attachment E.2 assist a company in determining the costs of their recycling services and allow them to compare the pricing to that of solid waste disposal fees. There are also sheets that help a company track their recyclable materials and annual costs and profits from recycling. These can be found in Attachments E.3 and E.4. The WasteCap of Lincoln office is available at (402) 472-0888 for any questions concerning these worksheets.

Funding Options

The funding increases that WasteCap of Lincoln has seen over the last few years are a direct reflection of the program's success. WasteCap of Lincoln receives an annual contract with the City of Lincoln to act as the City's Business Recycling Program by providing technical services to local businesses. City funding accounts for 31-percent of WasteCap of Lincoln's current budget. Another 25-percent of the budget is provided in the form tax-deductible investments made by local INFORM business members. In 1999, about 44-percent of WasteCap of Lincoln's budget is provided through grant funds from the Nebraska Department of Environmental Quality (NDEQ) and the Nebraska Environmental Trust Fund (NETF). These organizations as well as others nationwide have recognized the importance of the WasteCap of Lincoln and INFORM models and have been willing to provide funding so that this information can be shared with other communities. The INFORM model, which is one of the most respected recycling organization models in Nebraska and nationwide, has been modeled in Dallas, Texas; Atlanta, Georgia; Kansas City, Missouri; Council Bluffs, Iowa; and the New York Department of Sanitation, among others.



Although there are no annual dues for membership in INFORM, WasteCap of Lincoln does receive monetary donations from the INFORM business members and in-kind donations such as printing and postage are also accepted. Each year a letter is sent to INFORM members requesting a donation to help fund the WasteCap of Lincoln program. To aid in providing a push for donations, a member of a large company (usually a CEO) is asked to serve as the honorary fundraising chair and that person will sign the letter sent. Another practice that will be new in 2000 is to add a member profile that outlines costs savings to businesses as well as a list of membership benefits and activities that were available in the previous year. A sample fundraising letter is available in the attachments of this document.

Attachments

Attachment A: Memoranda

Memorandum of Understanding for Collection/Processing Services of Paper Products

Attachment B: Business Plans

Business Plan for Old Corrugated Cardboard: Cooperative Marketing Project, September, 1993

Attachment C: Business Surveys

C.1: Sample letter to businesses to include with initial survey

C.2: Business Waste Reduction and Recycling Survey

Attachment D: Contracting Services

D.1: Checklist for completion and submission of Proposal

D.2: Request for Proposal for Contractual Services

D.3: General Terms and Conditions Related to Collection and Processing of Recyclable
Materials Generated by INFORM Members

D.4: Minimum Performance Standards for Paper Products

Attachment E: Waste Assessment Materials

E.1: Materials to Schedule a WasteCap Assessment

E.2: Recycling Break-Even Point Worksheet

E.3: WasteCap of Lincoln Waste Evaluation Worksheet

E.4: Commodity Tracking Form for INFORM Members

EPA Publications

Environmental Protection Agency Publications (Available by calling EPA at (800) 490-9198)

A Business Guide for Reducing Solid Waste, 520-K-92-004

The Consumer's Handbook for Reducing Solid Waste, 530-K-92-003

Decision-Makers Guide to Solid Waste Management; Volume II 530/R-95-041

Full-Cost Accounting for Municipal Solid Waste Management: A Handbook, 530-R-95-043

How to Start or Expand a Recycling Collection Program (Fact Sheet), 530-F-94-007

Joining Forces on Solid Waste Management: Regionalization is Working in Rural and Small Communities,
530-K-93-001

Pick-Up Savings: Adjusting Hauling Services While Reducing Waste, 530-F-96-016

Recycling Means Business, 530-K-95-004

Recycling Works!, 530/SW-89-014

Waste Prevention: It Makes Good Business Sense, 530-F-93-008

Waste Prevention, Recycling, and Composting Options: Lessons from 30 Communities, 530-R-92-015

Wastewise Tip Sheet: Facility Waste Assessments, 530-F-94-006

Wastewise Tip Sheet: Recycling Collection, 530-F-94-004

Additional Publications

A Handbook on Recycling for Rural Communities, August 1999

Nebraska State Recycling Association, 1941 South 42nd Street, Suite 512, Omaha, NE 68105,
(402)444-4188

Implementation Guide for Small Business Recycling Cooperatives

Northeast Recycling Council, 139 Main Street, Brattleboro, VT 05301, (802)254-3636

Measuring and Tracking Recyclables and Organics, June 1996

Nebraska Department of Environmental Quality, Air and Waste Management Division, Integrated Waste
Management Section, P. O. Box 98922, Lincoln, NE 68509-8922, (402) 471-2186

Nebraska Recycling Resource Directory, 1999-2000

Nebraska Department of Environmental Quality, Waste Management Division, Planning & Aid Unit,
P. O. Box 98922, Lincoln, NE 68509-8922, (402)471-2186

Rural Recycling Strategies: Cooperative Marketing Tool Kit, September 1998

Southeast Minnesota Recycling Exchange, The Nebraska State Recycling Association, and the Mid-Continent
Recycling Association

For Copies: Nebraska State Recycling Association, 1941 S. 42nd Street, Suite 512, Omaha, NE 68105
(402)444-4188

Waste Audit Manual: A Manual to Determine Your Company's Waste Reduction and Recycling Potential
New York State Office of Economic Development, Office of Recycling Market Development

For Copies: Environmental Management Investment Group, 30 South Pearl Street, Albany, NY 12245
(518) 292-5340

Waste Reduction and Recycling Guide for Business, Spring 1999

WasteCap of Lincoln, P. O. Box 83006, Lincoln, NE 68501-3006, (402)472-0888

Resources

Nebraska State Recycling Association
Kay Stevens, Executive Director
1941 S. 42nd Street, Suite 512
Omaha, NE 68105
Ph: (402)444-4188, Fax: (402)444-3953
E-mail: nsra@novia.net

WasteCap of Lincoln
Carrie Hakenkamp, Director
P.O. Box 83006
Lincoln, NE 68501-3006
Ph: (402)472-0888, Fax: (402)472-2246
Website: www.wastecaplnk.org
E-mail: wastecap@alltel.net

Nebraska Department of Environmental Quality
Contact: Grants and Planning Unit
Contact: Mary Harding, Executive Director
P. O. Box 98922
Lincoln, NE 68509-8922
Ph: (402)471-2186, Fax: (402)471-2909
Website: <http://www.deq.state.ne.us>

Nebraska Environmental Trust Fund
Contact: Mary Harding, Executive Director
P. O. Box 30370
Lincoln, NE 68503-0370
Ph: (402)471-5409, Fax: (402)471-5528
Website: www.ngpc.state.ne.us

Nebraska Department of Economic Development
Recycling Economic Development Advocate
(REDA)
Contact: Pat Langan
P. O. Box 94666
Lincoln, NE 68509-4666
Ph: (402)471-3766, Fax: (402)471-3778
Website: <http://reda.ded.state.ne.us>
E-mail: plangan@neded.org

United States Environmental Protection Agency
Region VII
Contact: David Flora
901 North 5th Street
Kansas City, KS 66101
Ph: (913)551-7523
Website: www.epa.gov

Northeast Recycling Council
139 Main Street
Battleboro, VT 05301
Ph: (802)254-3636
Website: www.NERC.org

National Recycling Coalition
1727 King Street, Suite 105
Alexandria, VA 22314-2720
Ph: (703)683-9025, Fax: (703)683-9026
Website: www.nrc-recycle.org

Keep Nebraska Beautiful
Contact: Jane Polson, Director
3201 Pioneers Blvd., Suite 306
Lincoln, NE 68502
Ph: (402)486-4562, Fax: (402)486-4563
Website: www.knb.org
E-mail: jpolson@knb.org

City of Lincoln Recycling Office
Contact: Gene Hanlon, Recycling Coordinator
2400 Theresa Street
Lincoln, NE 68521
Ph: (402)441-7043, Fax: (402)441-8735
E-mail: ghanlon@ci.lincoln.ne.us

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E-mail:mike.mcgregor@sandhills.com

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E-mail:beyersdd@squared.com

Gene Hanlon, City of Lincoln

Ph: (402)441-7043, Fax: (402)441-8735

E-mail: ghanlon@ci.lincoln.ne.us

Attachment A

Memorandum of Understanding for Collection/Processing Services of Paper Products



Memorandum of Understanding for Collection/Processing Services of Paper Products

_____, hereinafter referred to as generator, and _____ hereinafter referred to as contractor, in consideration of their mutual interests in the collection and processing of recyclable materials agree to the following:

1. The Contractor agrees to follow the terms and conditions of the "Minimum Performance Standards Document" as well as those outlined in the "General Terms and Conditions" document.
2. The Generator located at _____, shall separate and store the recyclable material in the following manner (Check all that apply)

| Commodity | Barrel/Toter | Rear Loading | Roll Off | Baled | Semi Load |
|--------------|--------------|--------------|----------|-------|-----------|
| Office Paper | | | | | |
| Magazines | | | | | |
| Newspaper | | | | | |
| OCC | | | | | |

3. The collection frequency for the waste paper shall be, by material:

| Commodity | Barrel/Toter | Rear Loading | Roll Off | Baled | Semi Load |
|--------------|--------------|--------------|----------|-------|-----------|
| Office Paper | | | | | |
| Magazines | | | | | |
| Newspaper | | | | | |
| OCC | | | | | |

4. In consideration for these collection services the generator agrees to pay the contractor the following collection fees: (Please indicate how pricing is determined: i.e. number of stops, volume, container size, monthly fee, etc.)

| Commodity | Barrel/Toter | Rear Loading | Roll Off | Baled | Semi Load |
|--------------|--------------|--------------|----------|-------|-----------|
| Office Paper | | | | | |
| Magazines | | | | | |
| Newspaper | | | | | |
| OCC | | | | | |

5. Rejection of loads shall be based on criteria provided by the Contractor (provide attachment).
6. Material deemed confidential, and to be shredded shall be marked in the following manner: _____
7. The term of this agreement shall be for 1 year(s), beginning _____ and is renewable for 2 one year periods if mutually agreeable.
8. If technologically feasible, Contractor will provide actual, verifiable quarterly totals of materials hauled for recycling. If this is not technologically feasible, an estimation will be provided quarterly to the INFORM office for materials hauled by INFORM members.
9. Profit sharing will be determined on a case by case basis between the Contractor and Generator. Revenue sharing must meet the guidelines of the Minimum Performance Standards for Paper Products. Revenue for commodity profit sharing will be based on Fibre Market News, First Edition for Sorted Office Paper and the Yellow Sheet, Second Edition for Old Corrugated Cardboard. Both publications based on the Chicago Region.

Dated this ____ of _____, 20

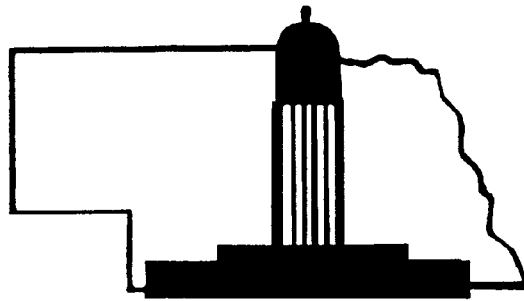
INFORM Representative

Hauler Representative

Attachment B

Business Plan for Old Corrugated Cardboard Cooperative Marketing Project September 1993

**INDUSTRIAL NEBRASKANS
FOR
ORGANIZED RECYCLING
MANAGEMENT**



INFORM

**Business Plan For
Old Corrugated Cardboard
Cooperative Marketing Project
September 1993**

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- A. List of INFORM Members
- B. List of Questions to Processors
- C. Draft Contract
- D. Draft Letter of Agreement

I. EXECUTIVE SUMMARY

Industrial Nebraskans for Organized Recycling Management (INFORM) is a coalition of 24 Lincoln-area business of varying types and sizes dedicated to:

- Maximizing waste reduction and recycling activity within each member business.
- Minimizing quantities of wastes disposed of in local landfills.

These broad goals will be met by combining their available resources to address a wide range of waste reduction and recycling issues. Initially, INFORM intends to organize a cooperative to collect, process and market old corrugated cardboard (OCC) from member businesses under a Master Contract with a local processor/broker.

By marketing OCC cooperatively, INFORM can secure higher quality recycling services, create transportation efficiencies and achieve more reliable, long-term markets for OCC member businesses, both large and small.

This Business Plan includes a three-year projection of income and expenses for operating this Cooperative OCC Marketing Project using the services of the Nebraska State Recycling Association to coordinate the project out of a Lincoln office. Funding is anticipated to come from a Grant through the City of Lincoln and Membership fees from Member businesses. Revenue from the sale of material will be returned to the generating business based on volume recycled.

This project is an innovative example of a public/private partnership between private enterprise and the City of Lincoln that has the potential of recycling as much as fifty percent of the OCC currently generated by commercial sources in Lincoln.

II. INFORM BACKGROUND

Industrial Nebraskans for Organized Recycling Management (INFORM) is a coalition of Lincoln-area business of varying types and sizes dedicated to:

- Maximizing waste reduction and recycling activity within each member business.
- Minimizing quantities of wastes disposed of in local landfills.

These broad goals will be met by combining their available resources to address a range of waste reduction and recycling issues. Initially, INFORM intends to organize a cooperative to collect, process and market old corrugated cardboard (OCC) from member businesses under a Master Contract with a local processor/broker.

By marketing OCC cooperatively, INFORM can secure higher quality recycling services, create transportation efficiencies and achieve more reliable, long-term markets for OCC member businesses, both large and small.

The planning process for INFORM began in the fall of 1992. At ISCO International an aggressive in-house waste reduction and recycling program began stimulated by an employee group. This business managed to significantly reduce its waste quantities disposed of and increased the quantities of OCC as well as other types of materials successfully recycled. It soon became clear that securing and maintaining consistent services for these materials was going to be a problem.

Organizers also recognized that several smaller business within their industrial tract were unable to secure satisfactory recycling services. Either their materials has little or no value to local recyclers or were available in such small quantities recyclers could not afford to collect them. An initial survey by the ISCO group of area business indicated a strong interest in forming a coalition to address these quantity and quality issues.

Additional business from throughout Lincoln heard about the proposed coalition and expressed interest in participating. The first meeting included representatives from 24 area businesses who came together to gather input from the City of Lincoln, the Nebraska Department of Environmental Quality (NDEQ) and the Nebraska State Recycling Association (NSRA). (See Attachment A for this membership list).

A Steering Committee was appointed and charged with gathering data from member businesses on current recycling and disposal practices and costs within each company. Nine businesses expressed early interest in joining a cooperative OCC recycling efforts since OCC represents the largest single material all companies had in common. These nine businesses were found to generate a total of 3300 tons of OCC annually. Of this amount, 1225 tons are now being recycled, with generators receiving no payment for the material.

Total OCC generation rates for the entire City of Lincoln are estimated to be 30 percent of the total commercial waste stream or 39,961 tons, annually, or about 25 percent of what is available. Organizers of the INFORM Cooperative are projecting the real possibility of increasing this recovery rate to a total of 50 percent of what is generated by cooperatively recycling an additional 10,000 tons of OCC. Coalition members have reached a consensus that INFORM members will collaborate to address this target component of their waste streams.

111. COOPERATIVE MARKETING

Cooperatives have served Nebraskan's agricultural economy and rural communities for many years. By bringing together both large and small producers, combining their products and resources and creating transportation efficiencies, co-ops have offered farmers of all sizes and types some control over their markets and enhanced their ability to access those markets.

A recycling cooperative applies similar principles by combining varying quantities of a single commodity and moving them, in bulk, to market. A recycling cooperative assists businesses and recyclers by improving transportation and generating commodities in the quantity and quality end markets demand. Generators benefit from increased control over the quality of recycling services and end users benefit from the ability to deal with a single entity rather than juggling multiple contracts with small, erratic quantities of lower value mixed materials.

Trends show strong national interest in regional co-ops to market recyclables from rural community recycling programs. The Nebraska State Recycling Association has been on the cutting edge of much of this activity both within Nebraska as well as, regionally and nationally.

NSRA has worked since the fall of 1991 to organize a cooperative for marketing recyclables out of Nebraska. This project will focus on Newspaper (ONP) in a Demonstration Project beginning late 1993 in 14 Nebraska counties. In addition, NSRA has been involved in the regional Cooperative Marketing effort known as the Mid-Continent Recycling Association (MCRA) which consists of the states of North and South Dakota, Nebraska, Wyoming, Montana, Minnesota and the provinces of Manitoba and Saskatchewan in Canada. The MCRA organization will conduct a Demonstration Project to market paper in early 1994. The Executive Director of the NSRA represents Nebraskans as a Board Member for MCRA and has participated since the beginning in the planning, organizing and fund raising effort associated with this project.

A National Cooperative Marketing Network Steering Committee has also organized to develop a National Co-op Data Base, to publish a quarterly newsletter and conduct four workshops for the Network. A two-year grant from the U.S. Environmental Protection Agency has been secured and will be administered by NSRA's office to manage the workshops, produce and publish the newsletters.

Business cooperatives are evolving for similar reasons. Only the largest businesses generate sufficient, high-value material to consistently attract recyclers. Smaller businesses either do without recycling services or suffer with service and quality that vacillates with market fluctuations. Recyclers traditionally face slim or non-existent profit margins, and in weak markets, small generators of poor products are the first to go as recyclers cut back.

By organizing cooperative collection and recycling processing services, with the assistance of NSRA's expertise, the business community in Lincoln can maximize their waste reduction and recycling efforts, identify and control exact costs for solid waste and recycling management services and ensure long-term program longevity.

IV. IMPLEMENTATION PLAN

INFORM has analyzed members' OCC generation rates, existing in-house management systems and costs associated with current OCC disposal and recycling.

Initial contacts and interviews have been conducted with regional OCC collectors and processors to gauge their interest in contraction with INFORM to process and market OCC. Processors were queried concerning a range of issues relative to the potential contract (See Attachment B) and their responses were tabulated and compared. A draft contract has been developed based on these steps (See Attachment C) and implementation will proceed in the area of Organization, Finance, Contract Management and Operations.

1. Organization

As data was gathered and a pattern emerged for conducting this cooperative effort, it became clear that the time and resources needed to manage the project would exceed the volunteer capabilities of the businesses involved.

Successful Cooperative Marketing always depends on pristine quality and reliable quantities of OCC moving to the processor from each participating business. To ensure this complex process works smoothly, there must be a meticulous record-keeping system in place as well as staff available to do on-site inspections, employee training at the source, and resolve conflict over quality if problems emerge. The processor is asked to provide premium prices for the OCC collected and this price is only possible if material quality remains consistent from the source and records are open and above board.

The contract also will include provision for tracking market prices through the Chicago's Yellow Sheet and payment to or from generators will depend on this Index. An objective third-party will become pivotal as prices fluctuate and new prices or penalties must be negotiated.

The INFORM Steering Committee members explored several organizational options for managing this "field work", including formal incorporation as a profit or non-profit entity. Members also explore the feasibility of becoming a quasi-public entity managed by a City Staff person. A third option considered was development of a public/private partnership between INFORM members, a private collector and the City of Lincoln.

Committee members determined that forming a new corporation would be expensive, time-consuming, and some momentum could be lost in the interim. There was also concern that finding experienced permanent staff this early would be risky and training and developing inexperienced staff would also delay the project. The expense and delays involved in asking the City to create a position and hire staff were considered drawbacks to the second option. This option also was risky in that a public-sector market manager could become subject to outside pressures during difficult negotiations making third-party objectivity a possible problem.

The third options evolved into a "Central Clearing House" concept. The Steering Committee received a proposal from the Nebraska State Recycling Association to contract with INFORM to manage the Co-op through individual Letters of Agreement with each INFORM member. This draft agreement can be found in Attachment D.

It is proposed that the Clearing House will act to coordinate the early organizational activity as well as ongoing operations as the project evolves. Through the use of its network of local and regional contacts and established resources NSRA's trained staff can provide support and expertise for this project.

The Central Clearing House will be established, in Lincoln, staffed by the NSRA, through uniform written agreements with participating INFORM members.

Clearing House activity will be conducted in two phases. Phase I, a 90-day period, will consist of using existing NSRA staff and its sub-contractor to:

- Develop record keeping, accounting and quality control procedures
- Develop bid specifications and negotiate with processor and hauler
- Conduct training and technical assistance with member businesses
- Coordinate communications between NSRA, INFORM and Contractors
- Provide recruiting and orientation of new members for INFORM

Phase II, a nine-month period, will consist of ongoing operation of the coop including the following activities:

- Supervision and coordination of the project and the Lincoln Office by NSRAs Executive Director
- Provide support services with additional NSRA personnel including
 - Marketing Service Coordinator
 - Program Coordinator
 - Administrative Assistant
- Coordinate quarterly INFORM membership meetings
- Use of NSRAs 800 number Hot Line and linkage with NSRA office through computer modem
- On-going monitoring and negotiations of recycling processor and hauler contracts
- Recruitment and orientation of new members
- Continued scheduling and coordination of quarterly INFORM meetings and preparation of monitoring and activity reports
- Continued training and technical support to INFORM Members
- Coordination of two workshops on Waste Reduction Recycling and buying recycling for groups of businesses
- Linkage with additional NSRA Cooperative effort, State-wide and regionally
- Expansion to additional recyclable materials as markets open up

2. Finance

The ongoing sustainability of this project is of primary concern to project organizers. Initial funding for year one is projected to come from three sources; membership fees, revenue from sales and a grant through the City of Lincoln.

Income projections and estimated operating costs for the first three years are outlined in Table 1. The public/private nature of this project involves ongoing public support from the City of Lincoln at approximately 50 percent. This arrangement provides the City of Lincoln with the opportunity to address meaningful reduction of its commercial waste stream thereby meeting a portion of the 25 percent waste reduction goal placed on Nebraska cities by LB 1257. Future expansion of INFORM into more valuable commodities, such as computer paper could alter this arrangement by bringing in more revenue to offset operating costs as can the addition of more participating businesses. Adjustments can be made in future membership fees to cover the costs of operating as well as any dips in future market prices. Support from the City of Lincoln will act to stabilize the project, long term.

**TABLE 1
12-MONTH BUDGET
INCOME**

| <u>Source</u> | <u>Year One</u> | <u>Year Two</u> | <u>Year Three</u> |
|-----------------|-----------------|-----------------|-------------------|
| Grant | \$22,000 | \$21,500 | \$20,575 |
| Membership Fees | \$ 9,625 | \$16,075 | \$21,600 |
| Revenue/Sales | \$73,000 | \$119,500 | \$152,500 |
| Annual Total | \$104,625 | \$157,075 | \$194,675 |

EXPENSES

| <u>Expense</u> | <u>Year One</u> | <u>Year Two</u> | <u>Year Three</u> |
|-------------------|-----------------|-----------------|-------------------|
| Salaries | \$24,600 | \$31,000 | \$36,000 |
| Postage | \$ 300 | \$ 450 | \$ 675 |
| Print/Photocopies | \$ 1,000 | \$ 1,500 | \$ 2,000 |
| Rent | \$ 1,200 | \$ 1,500 | \$ 2,000 |
| Telephone | \$ 1,800 | \$ 1,800 | \$ 1,500 |
| Computer | \$ 1,800 | \$ 1,800 | \$ — |
| Totals | \$29,500 | \$37,250 | \$42,175 |

Expenses are calculated primarily on the basis of estimates for operating the Clearing House or management services. These do not include projections for the cost of collection or costs associated with handling in-house or at the recycling center. This is based on the fact that businesses pay for collection now so no significant increase over current costs is expected immediately. It is expected however, that as data collection to processing will have been identified and can be pin pointed as part of future decision to either proceed or stop the project.

Revenue from the sale of OCC is calculated based on the \$10/ton floor charge estimated by a local processor for loose OCC. Baled OCC is estimated at \$20/ton which currently represents only a small portion of the quantities currently recycled. For this table, however, revenue has been estimated at the lower rate with revenue collected by NSRA and passes back through to each business based on volume generated.

This budget is also based on the conservative assumption that a total of 7300 tons of OCC will be successfully marketed by the end of year one by 16 member businesses. Table 2 depicts estimated OCC generated by participating members. Per-member quantities are calculated by averaging amounts generated by each class of membership and multiplying by number of members per class (0-600 tons) will increase at the greatest rate.

Membership fees will be collected and accounted for by NSRA, which is a designated 501(C)(3) Non-profit Corporation. It is possible that membership fees, donated to NSRA to operate this co-op would be tax deductible, as are all NSRA membership fees.

**TABLE 2
MEMBERSHIP FEES**

| Member Class | Average Ton/Member | # of Members | Tons Year 1 | # of Members | Tons Year 2 | # of Members |
|--------------|--------------------|--------------|-------------|--------------|-------------|--------------|
| 0-300 | 150 lbs | 8 | 1200 | 12 | 1800 | 22 |
| 300-600 | 450 lbs | 6 | 2700 | 15 | 6750 | 15 |
| 600-1000 | 800 lbs | 3 | 2400 | 3 | 2400 | 4 |
| Over 1000 | 1000 lbs | 1 | 1000 | 1 | 1000 | 2 |
| Totals | | 18 | 7300 | 28 | 11950 | 43 |

Membership fees are calculated based on the amount of material a given business generates. Projections for these annual fees are outlined in Table 3.

**TABLE 3
MEMBERSHIP FEES**

| OCC Ton/Year | \$/Year | #Memb. Year | Total year 1 | #Memb. Year | Total Year 2 | #Memb. Year |
|--------------|---------|-------------|--------------|-------------|--------------|-------------|
| 0-300 | 375 | 8 | 3000 | 12 | 4500 | 22 |
| 300-600 | 550 | 6 | 3300 | 15 | 8250 | 15 |
| 600-1000 | 775 | 3 | 2325 | 3 | 2325 | 4 |
| Over 1000 | 1000 | 1 | 1000 | 1 | 1000 | 2 |
| Totals | | 18 | 9625 | 36 | 16075 | 43 |

3. Contract Management

A draft contract has been developed (See Attachment C) which will be the starting point for negotiations with the selected processor. Shaping and ongoing monitoring of this agreement will require extensive fieldwork, which was described in detail in the Organization section. It is expected that NSRA Staff and its subcontractor will assume fieldwork responsibilities by monitoring the quality of OCC at the source and within the hauling and processor system. Supervision of the contract will include development of a record keeping system to assist generators, processors, and haulers in tracking accurate quantities from the source to the end markets. The record keeping system will focus on three general areas:

- Income and expenditures
- Market trends using the Chicago Yellow Sheet
- Quantity and quality data

A myriad of quality control issues will emerge as the project evolves, all of which will be addressed through on-site visits, visual inspections, personal contacts, workshops and training sessions. NSRA Staff will provide on going negotiation services when and if conflicts arise, relative to payment, quantities, product qualities or transportation scheduling.

Since payments to INFORM Members (for materials) and to the processor and haulers (from INFORM Members) will be calibrated based on records maintained by NSRA Staff, the need for precision, accuracy and objectivity can not be overstated.

The most unique aspect of this contract is the intent to share revenues, over the floor price, with INFORM Members, should prices rise, and share losses with the processor, should prices drop. Development of this provision and a method for defining it's application is pivotal to the earliest phase of contract management activity. The intent is to have NSRA Staff monitor the Yellow Sheet listing of OCC prices. Final contract negotiations will include reaching an agreement between INFORM and the Processor concerning the timing and application of the appropriate per-ton adjustments.

4 Operations

Continued operation of the INFORM Cooperative will be based on a sound financial base. Guidance concerning expansion, additional services, changes in direction and go/no go decisions will be provided by the INFORM Steering Committee. Services will continue to expand as new and more diverse businesses are attracted to the program as well as the addition of more commodities become feasible from area businesses. Quarterly performance meetings between buyers and sellers of material will help ensure ongoing quality services. As OCC collection, processing, and marketing progresses, it is expected that services will be developed to cooperatively market additional materials such as office, computer or mixed paper, plastics or glass and other industrial quantities of wastes.

There is also the opportunity to link with the Statewide efforts that NSRA is coordinating including the ONP Demonstration Project, Community Recycling Business Coops. As business coalitions and local recycling co-ops organize, INFORM can combine resources to move even greater quantities of material to markets out of Nebraska.

Additional long term objectives include the potential for attracting new industry to the State or expanding existing Nebraska businesses wishing to secure reliable streams of secondary materials for feed stock in their manufacturing process. There is also growing interest among industries to structure waste exchanges to reuse locally generated secondary materials in their own process, where feasible.

Finally, completing the recycling involves purchasing recycled products when possible. As businesses join together to market recyclables they also form a natural network to facilitate the cooperative purchasing of recycled products at often more advantageous prices than a business might achieve when acting alone. The future is unlimited for businesses willing to act collaboratively to address "green issues" and demonstrate that good environmental action is good business.

Attachment C: Business Surveys

C.1: Sample letter to businesses to include with initial survey

C.2: Business Waste Reduction and Recycling Survey

Sample letter to businesses to include with initial survey

May 10,1993

Joe Smith
XYZ Company
1234 Main Street
Lincoln, NE 68501

Dear Mr. Smith:

The City of Lincoln and the Lincoln Chamber of Commerce are considering the development of a coordinated program, which provides waste reduction and recycling services to local businesses. We would appreciate it if you would take a couple of minutes to complete the enclosed survey.

The purpose of the survey is to assess current recycling efforts among businesses and determine if there is an interest in learning more about conducting waste assessments or implementing cardboard and office paper recycling programs. The information you provide will play an important role in determining whether the City of Lincoln and the Lincoln Chamber of Commerce will work together to develop a more comprehensive approach to collecting and processing recyclables generated by the business community.

Should there be interest in such an effort, we will form a steering committee of business representatives that will design a coordinated approach for providing waste reduction and recycling services to local companies.

If you have any questions regarding the survey you may either contact Gene Hanlon (441-7043) with the City's Recycling Office or Mark Essman (476-7511) with the Lincoln Chamber of Commerce. We would appreciate it if you would complete the survey and either fax it to the City Recycling Office (441-7734) or mail it in the enclosed self-addressed, stamped envelope by June.

Thank you for your cooperation.

Sincerely,

Mike Johanns
Mayor, City of Lincoln

Arlene Sorensen
Chair, Lincoln Chamber of Commerce

BUSINESS WASTE REDUCTION AND RECYCLING SURVEY

1. Does your business currently have a waste reduction and recycling program?
 Yes _____ No _____ Don't Know _____

2. (If yes in #1) Which of the following does your company recycle? (Please circle)
 Cardboard _____ Office Paper _____ Newspaper _____ Computer Paper _____
 Glass _____ Plastic _____ Metals _____ Other (Specify) _____

3. Please check the category which best describes your business:
 Wholesale _____ Retail _____ Services _____ Manufacturing _____ Construction _____
 Other (Specify) _____

| | Very Satisfied | Satisfied | Not Satisfied |
|---|-----------------|---------------------|----------------|
| 4. How satisfied are you with recycling collection services for your business? (circle one) | X | X | X |
| | Very Interested | Somewhat Interested | Not Interested |
| 5. If a coordinated program were developed to recycle corrugated cardboard that were economically feasible, how interested would your organization be in participating? (circle one) | X | X | X |
| 6. If a coordinated program were developed to recycle mixed office paper that did not add to your total waste disposal cost, how interested would your organization be in participating? (circle one) | X | X | X |
| 7. Currently, a program is being developed to assist businesses in conducting waste assessments. This program would identify opportunities to reduce waste and develop programs for recycling company waste. How interested would your organization be in participating in a program of this type? (circle one) | X | X | X |
| 8. A steering committee is being formed to develop a coordinated approach to waste reduction and recycling services for local businesses. This committee would be involved in developing procedures to assist companies in conducting waste assessments and implementing their waste reduction and recycling programs. How interested would your organization be in participating on a committee of this type? (circle one) | X | X | X |

If interested, please list company representative name:

Company Name: _____ Representative Name: _____

| | Very Likely | Somewhat Likely | Not Likely |
|--|-------------|-----------------|------------|
| 9. In the Fall, a workshop will be held to discuss strategies for waste reduction and recycling for business. How likely is it that your organization would send a representative to this workshop? (circle one) | X | X | X |
| | Yes | No | Don't Know |
| 10. If a workshop of this type were held, would you be more likely to attend if it lasted half a day? (circle one) | X | X | X |
| 11. On which day of the week would you be most likely to attend? | _____ | | |

Attachment D: Contracting Services

D.1: Checklist for completion and submission of Proposal

D.2: Request for Proposal for Contractual Services

D.3: General Terms and Conditions Related to Collection and Processing of Recyclable Materials Generated by INFORM Members

D.4: Minimum Performance Standards for Paper Products

INFORM Materials for a Request for Proposals



Information Sheet and Check list For Completion and Submission of Proposal

1. Read all documents thoroughly. Any statement included in these documents not amended in writing, and agreed upon by both parties will be considered binding.
2. Strike any statements included in these documents which are either not applicable, or not acceptable.
3. Provide written amendments to said statements.
4. Complete proposal sheets, and attach necessary addenda.
5. Sign documents.
6. Return by _____



Request for Proposal For Contractual Services

The Coalition of businesses known as Industrialized Nebraskans For Organized Recycling Management (INFORM) is requesting proposals to provide for the following services:

- collection of old corrugated cardboard
- collection of mixed office paper
- processing of old corrugated cardboard
- processing of mixed office paper

These service contracts may be bid and awarded individually, or in any combination by one or more vendors. Contract period to be _____ with the option to renew for two additional one-year periods.

Proposals must be marked INFORM, and be received no later than 2:00pm, _____, 2000 at the Lincoln Chamber of Commerce, 1135 "M" Street, Ste. 200, P.O. Box 83006, Lincoln, NE 68501-3006. Technical questions are to be directed to INFORM. Contact person is Carrie Hakenkamp (402)472-0888. Bids will be opened _____, 2000. Fax bids will not be accepted.

Your proposal sheet must be signed, sealed, and returned by the proposal closing time.

INFORM reserves the right to reject any or all proposals, wholly or in part, to waive any technicality in any proposal and to make awards in a manner deemed in the best interest of the organization.



General Terms and Conditions
Related to collection and processing of
Recyclable materials generated by INFORM Members

1. Scope of Services

- 1.1 This program is an effort by a coalition of Lincoln businesses to obtain greater collection and processing efficiencies by establishing a coordinated approach to recycling. This coalition will continue to solicit new members to join the network. All member businesses, under this agreement, must be serviced regardless of volume.
- 1.2 The following materials shall be collected under the umbrella term of mixed office waste: including, but not limited to, white and colored paper, green bar paper, envelopes (including windows), ream wrappers, slick paper, file folders, card stock, and mail. Also to be collected but separated include old newspapers and magazines.
- 1.3 The following materials shall be collected under the umbrella term of old corrugated cardboard: US produced cardboard, as well as waxed, chipboard and Kraft paper.
- 1.4 Each waste generator may choose to enter or decline the hauling and/or processing agreements. There is no guarantee, either written or implied that all of the INFORM businesses will participate with any one contractor.
 - 1.4.1 Separate agreements shall be entered into between each participant in the coalition and the collection and processing contractors.
 - 1.4.2 Actual participation by individual businesses shall be based on independent review by said businesses. Each participant reserves the right to withdraw from the program should it prove to be economically unfeasible.
- 1.5 Contractor can sign the memorandum based upon: collection of mixed office waste, collection of old corrugated cardboard, processing of mixed office waste, processing of old corrugated cardboard, or any combination of the four listed option.

2. Volumes

2.1. Estimated total volumes of materials collected in 1998 are as follows:

- 2.1.1. Office Paper = 1342 Tons
- 2.1.2. Old Corrugated Cardboard = 2041 Tons
- 2.1.3. Magazines = 35 Tons
- 2.1.4. Old Newspaper = 112 Tons

2.2. Participation in the collection/processing agreement is voluntary. There is no guarantee that all business will participate in the program. All members may choose which company they would prefer to haul their materials. Contractors must make note that regardless of volume, if contractor is able to provide collection services to a member business, that business must be serviced. A listing of businesses and approximate volumes is available upon request from the INFORM office.

3. Revenue Sharing and Collection Costs

- 3.1 Publication to be used for determining revenue for office paper is the Fibre Market News, third edition of the month in which collection occurs.
- 3.2 Publication to be used for determining revenue for cardboard is The Yellow Sheet, second edition of the month in which collection occurs.
- 3.3 Collection shall be based on cost per pound or flat monthly fee based on number of pick-ups per month. The NDEQ Conversion guide shall be used to determine weight if no verifiable amounts are available
- 3.4 All collection reports (signed by drivers) with conversions will be supplied with monthly statements.

Proposal Form

1. Will containers be provided? Yes No
 Monthly Cost Per Container

- 1.1. 40 gallon barrels _____
- 1.2. 96 gallon toters _____
- 1.3. 2 yard rear loading _____
- 1.4. 4 yard rear loading _____
- 1.5. 6 yard rear loading _____
- 1.6. 8 yard rear loading _____
- 1.7. roll off container _____
- 1.8. semi trailer _____
- 1.9. other _____

2. Types of material to be collected Cardboard Office Paper

3. Types of material to be processes Cardboard Office Paper

4. Other material accepted Glass Plastic Aluminum Steel

5. Acceptable Contamination Level (Attach addenda)

6. Collection schedule and fees shall be:

| Material/Container Type | Collections per Month | Fee per lb. collected |
|---------------------------|-----------------------|-----------------------|
| Office Paper (SOP) | | |
| Barrels | _____ | _____ |
| Toters | _____ | _____ |
| Rear Loading | _____ | _____ |
| Roll off | _____ | _____ |
| Semi Trailer | _____ | _____ |
| Other | _____ | _____ |
| Magazines (OMG) | | |
| Barrels | _____ | _____ |
| Toters | _____ | _____ |
| Rear Loading | _____ | _____ |
| Roll off | _____ | _____ |
| Semi Trailer | _____ | _____ |
| Other | _____ | _____ |
| Newspaper (ONP) | | |
| Barrels | _____ | _____ |
| Toters | _____ | _____ |
| Rear Loading | _____ | _____ |
| Roll Off | _____ | _____ |
| Semi Trailer | _____ | _____ |
| Other | _____ | _____ |
| Cardboard (OCC) | | |
| Barrels | _____ | _____ |
| Toters | _____ | _____ |
| Rear Loading | _____ | _____ |
| Roll Off | _____ | _____ |
| Semi Trailer | _____ | _____ |
| Other | _____ | _____ |

7) Processing fee for each commodity shall be:

| Commodity | Fee per pound processed |
|--------------|-------------------------|
| Office Paper | _____ |
| Magazines | _____ |
| Newspaper | _____ |
| OCC | _____ |

8) Publication name and issue of month to be used for determining revenue is Fibre Market News, third edition of the month, Chicago Prices.

9) Revenue sharing formula: _____



MINIMUM PERFORMANCE STANDARDS FOR PAPER PRODUCTS

General Standards

1. The contractors agree to collect and/or process materials from participating businesses identified as INFORM members. The INFORM Director will maintain an up-to-date listing of said businesses and provide it at no cost to contractors.
2. The generator must make every reasonable effort to reduce contamination.
3. The generator agrees to meet all storage and handling requirements as outlined by the contractor.
4. When verifiable weights are not available, and conversion is required, volumes used for quantities reported, fees payable, and revenue due will be based on the Nebraska Department of Environmental Quality's Guidance Document, "Measuring and Tracking Recyclables and Organics", issued June, 1996.
5. The contractor agrees to record quantity collected and any associated fees or revenue, and report these amounts to the generators monthly as well as the INFORM Director quarterly, with the report being received by the fifteenth (15th) of the month following collection.
6. The fee shall be calculated on a per pound or flat monthly fee basis. Revenue shall be calculated on a per ton basis. Revenue for office paper will be based on Fibre Market News, third edition, Chicago region. Revenue for cardboard will be based on The Yellow Sheet, second edition, Chicago region. Revenue may be adjusted monthly in accordance with index to reflect current market condition. A floor price will be enacted when market prices fall below a specified amount. Fees and/or revenues are payable within 30 days of receipt of monthly statement.
7. The contractor must meet all Federal, State and Local guidelines applicable to the hauling and processing of recyclable material and solid waste. Contractor must also provide INFORM office with certificates of insurance for general liability, automobile liability, and workers compensation.
8. In the event the contractor disposes of the material in a manner not consistent with the desires of the generator (i.e.:landfilled), the generator may terminate this agreement immediately.
9. Either party may terminate the collection and processing agreement after 60 days written notification.
10. The contractor agrees to maintain the confidentiality of all documents collected or processed during the term of this contract.
11. Any amendments to the collection and processing agreement must be in writing and acceptable to both parties.

Collection

1. Cost of collection/hauling shall be determined by any, all or a combination of the following: frequency of stop, number and types of containers used by business, total weights (in pounds). All members serviced by a certain contractor must have their fees determined in the same manner as other members using that contractor, regardless of volume.
2. Containers, if provided by contractor, must meet industry standards for appearance and capacity.
3. In the event the contractor is unable to collect materials, the contractor shall notify the generator as soon as possible. The generator will hold the material for 24 hours. If the material is not collected by the close of the next working day, or other arrangements have not been made, the generator may contract with another transportation company for services. Any out-of-pocket expenses paid by the generator shall be reimbursed within 10 working days by the contractor, not to exceed \$60.00 per hour.
4. Contractor understands that any business identified as an INFORM member, shall be serviced, if it is technologically feasible.
5. The contractor shall inform generator of regular pick up schedule, and provide generator one week notice if schedule is to be changed.
6. In the event of contamination, contractor shall inform generator of type and volume of contamination, and provide samples as soon as possible. Once generator is made aware of the problem, generator must take every reasonable step to remedy the situation.
7. Contractor shall not landfill any materials without prior authorization from generator.

Processing

1. A paper processing facility must accept old corrugated cardboard and/or mixed office waste including but not limited to: white and colored paper, computer printouts, index cards, post-it-notes, envelopes (including windows), paper reams, file folders and discarded mail. Separate collections shall include old magazines and old newspapers. Seasonal or one-time collections will be negotiated individually with each generator.
2. Contractor agrees to shred all documents designated as confidential within 48 hours of collection, and provide a certificate of destruction to businesses with the next billing cycle. Generator may witness shredding if so desired.
3. The contractor is required to provide information regarding other types of materials accepted.
4. All large in-coming loads must be weighed and weigh tickets must be provided to the generator. If the load is a result of several generators, it is the responsibility of the collector/hauler to pro rate the load by generator. Collection reports (signed by drivers) with estimated quantities will be provided with each monthly report.
5. If a generator chooses a hauler other than processor and chooses to keep the revenue from materials based on mutual agreement with the hauler, processor must provide revenue to generator based on weights provided to processor by hauler, regardless of quantity. It is the responsibility of the hauler to provide those weights to the processor.

Attachment E: Waste Assessment Materials

Attachment E.1: Materials to Schedule a WasteCap Assessment

Attachment E.2: Recycling Break-Even Point Worksheet and Using the Formula to compute costs per yard for recycling services

Attachment E.3: WasteCap of Lincoln Waste Evaluation Worksheet

Attachment E.4: Commodity Tracking Form for INFORM Members

WasteCap of Lincoln Protocol

Thank you for requesting a WasteCap of Lincoln Waste Reduction Assessment. The purpose of this program is to further waste minimization for your business through the implementation of source reduction, reuse and recycling practices. In addition to signing and returning the attached waiver agreement, an authorized representative from your company must fill out the attached WasteCap of Lincoln Questionnaire before a WasteCap of Lincoln Team visit can be scheduled. Once the Questionnaire and this Waiver Agreement are received, a team of volunteers with knowledge specific to your waste stream will be selected, and an onsite assessment will be performed.

WasteCap of Lincoln requires the participation of both a representative from the company's management team as well as a plant manager during the onsite walk through. Within three weeks of the completion of the assessment, you will receive a final written report containing an overall assessment of suggestions, alternatives and possible options identified by team members to reduce wastes generated at your facility.

Please understand that because WasteCap of Lincoln is not a consulting service, the final report may be general in nature and you may wish to retain expert assistance to follow-up on the WasteCap of Lincoln report.

You are under no obligation through this agreement to implement the options provided by the assessment. The teams DO NOT represent any governmental agency and therefore WasteCap of Lincoln team members are not necessarily familiar with regulatory aspects of waste management and will not be responsible for assessing regulatory compliance.

Moreover, team members DO NOT represent their employer(s) and are participating in this effort voluntarily and solely as individuals. All WasteCap of Lincoln team members have signed a confidentiality agreement regarding proprietary information that they may observe during the waste assessment. However, any area of your facility, which you do not wish to have evaluated, will not be evaluated by the WasteCap of Lincoln team. This is a voluntary, business-helping-business program and the team serves at your pleasure.

WasteCap of Lincoln cannot guarantee any particular level of financial savings to any program participants; although, we are confident that it is in the overall best interest of all members of the business community to minimize the amount of waste generated and entering the landfill.

First year operating funds for WasteCap of Lincoln are the result of a grant from the Nebraska Department of Environmental Quality, Waste Reduction and Recycling Incentive Grant Fund. There will be no fee for the WasteCap of Lincoln Assessment and Report. Certainly, if you find the services provided satisfactory and are interested in seeing the WasteCap of Lincoln program continue, donations for continuing the program are accepted.

We look forward to working with you to develop a sound waste reduction strategy. Please sign the attached WasteCap of Lincoln Waiver Agreement and return it with your completed WasteCap of Lincoln Questionnaire so that we can schedule a team visit.

Sincerely,

Carrie Hakenkamp
WasteCap of Lincoln Coordinator

WasteCap of Lincoln Waiver and Release Agreement

The company, organization or other business identified below understand and acknowledge that WasteCap of Lincoln team members are individual volunteers who assist the WasteCap of Lincoln program without any compensation or other consideration and that those volunteers do not represent their employers or any organization to which they belong, other than the WasteCap of Lincoln program.

The WasteCap of Lincoln team is visiting our facility at our request and we agree that team members will not be held responsible for any damages, liability or any other matter which may hereafter occur or arise as a result of any waste reduction suggestions, comments, alternatives or programs implemented at our facility following the WasteCap of Lincoln assessment visit and receipt of the written report.

The undersigned also understands and acknowledges that the WasteCap of Lincoln program and its sponsors make no representations, guarantees or warranties as to costs or savings that may be incurred or achieved by the undersigned as a consequence of implementing or failing to implement any or all of the measures discussed during the WasteCap of Lincoln team visit or contained in the subsequent written report.

The undersigned acknowledges receipt of the "WasteCap of Lincoln Protocol" letter, which is incorporated herein by reference.

The undersigned company, organization or business further waives, releases and discharges all members of the WasteCap of Lincoln team, their respective employer, and all official sponsors of the WasteCap of Lincoln program, including the Lincoln Chamber of Commerce, from any and all claims, causes of actions, suits or other matters arising from the WasteCap of Lincoln site assessment or the subsequent written report.

Accepted and agreed to this _____ day of _____, 2000

By: _____
Duly Authorized Signature

Printed Name of Signator

Title: _____

Company: _____

WasteCap of Lincoln Questionnaire

Please complete this form with information that is readily available. It is not necessary to complete the entire form to schedule a WasteCap of Lincoln assessment. Your responses will be used to determine the appropriate type of assessment for your company.

Feel free to include any additional information that you feel would be helpful. **All information will be kept confidential.** Please contact Carrie Hakenkamp, WasteCap of Lincoln Director, with any questions, comments or concerns you might have about WasteCap of Lincoln.

1. Business Name: _____
Address: _____
Telephone: _____
Contact/Title: _____

2. What product(s) does your company manufacture/sell/provide?

3. Provide a brief description of your operations as they related to your waste stream (inputs, processes, outputs, waste products).

4. How many employees does your company have? _____

5. What percentage of your employees are involved with manufacturing? _____

6. How large is your facility? _____ sq. ft.

7. Briefly describe your current waste handling practices.

8. What is the total waste generation per month at your facility? (weight or volume is adequate-indicate if information is estimated or actual)

9. What is the cost per month for waste disposal? (please include hauling and tipping)
\$(_____) (actual or estimate)

10. How does your firm track waste disposal costs? (i.e. by dept. as overhead, etc...)

11. Is there any other information which you feel is important for us to know?

WasteCap of Lincoln Questionnaire Cont.

12. Specific waste stream composition information is not required to schedule a WasteCap of Lincoln assessment, but it is helpful for planning purposes.
Please provide the information that is readily available.

13. What waste minimization, recycling or process modification programs or policies does your firm currently have in place?

14. If possible, identify and prioritize you firm's greatest waste reduction needs.

Thank you for your time.

Check the materials generated and if available, indicate the amount per month by weight or volume.

PLASTIC

AMOUNT DISPOSED

METHOD OF DISPOSAL

1. HDPE

2. PET

3. LDPE

4. Polystyrene

5. Other

CHEMICALS

1. Acids

2. Bases

3. Oils

4. Solvents

5. Lubricants

GENERAL

1. Food Waste

2. Yard Waste

3. Textile

4. Batteries

5. Any Other

Thank you for your time.

Recycling Break-Even Point Worksheet

This worksheet is designed to help businesses compare the costs of solid waste disposal and recycling. The formula helps to determine the point at which recycling is more cost effective than landfill disposal of wastes.

This worksheet is based on the following information:

- Total Weight of each Commodity for one month
- Total Pick-up fee (Base monthly fee)
- Container Fees (any container lease fees per month)
- Recycling Hauling Fee (Cost per pound for pick up)
- Landfill weigh tickets when hauling separate containers/loads
- Total Garbage Hauling Costs
- Number of garbage pickups per month
- Size of Containers emptied and how full each container is when emptied to determine total yards trash emptied for each stop
- Profit Sharing Amounts or revenue estimates, for each commodity

Material formulas:

1 cu. yd. of flattened, unbaled cardboard weighs approximately 150 pounds*

1 cu. yd of office pack, mixed paper weighs approx. 200 lbs.*

1 cu yd. White office paper weighs approx. 500 lbs. (in a bulk container)*

* "Measuring and Tracking Recyclables & Organics", June 1996, NDEQ

Using the Formula to compute costs per yard for recycling services

FORMULA SAMPLE COMPANY OCC

| | |
|--------------------------------|--------------------------------------|
| A: Total weight in pounds | A: 2500 lbs. (variable) |
| B: Hauling fee per pound | B: \$0.02 (constant) |
| C: Monthly pick-up fee | C: \$10.00 (constant) |
| D: Container Fee | D: \$10.00 (constant) |
| E: Total Cost | E: \$50.00 (from formula) |
| F: Profit/lb. (market payment) | F: \$50/T (variable, change to lbs.) |
| G: Net Profit | G: \$62.50 (Net Profit) |
| H: Net Cost | H: \$7.50 (Net Cost) |
| I: Cost per pound | I: \$0.0725/lb. |
| J: Cost per Yard | J: \$10.875/yd. |

$$(A*B) + C + D = E$$

$$(2500*0.02) + 10 + 10 = \$70.00 \text{ (Total Cost)}$$

$$\text{Profit} = \$/T \text{ divided by } 2000$$

$$\text{Profit (F)} = \$50/2000 = \$0.025$$

$$\text{Net Profit} = F * A$$

$$\text{Net Profit} = \$0.025 * 2500 = \$62.50$$

$$E - G = H$$

$$\text{Net Cost} = \$70.00 - \$62.50 = \$7.50$$

$$H / A = I$$

$$\text{Cost/lb.} = \$7.50 / 2500 \text{ lbs.} = \$0.003/\text{lb}$$

$$I * 150 = J$$

$$\text{Cost/yd.} = \$0.003 * 150 \text{ (lbs./yd)} = \$4.50/\text{yd.}$$

This formula is based on the charges and payments currently incurred as an INFORM member. The formula should work for all variation of charges and payments with very little changes needing to be made.

WasteCap of Lincoln Waste Evaluation Worksheet

The following Waste Evaluation Worksheet has been developed to assist you in performing an economic analysis of your recycling and solid waste disposal costs.

| Commodity | Pickups/ month | Total weight/ volume | Hauling Fee | Container Fee | Profit sharing | Difference (cost or profit) | Monthly Cost (or profit) /Ton | Cost/ pickup |
|-----------|-------------------|----------------------------|----------------|------------------|-------------------|-----------------------------------|-------------------------------------|-----------------|
| OCC | | | | | | | | |
| PCL | | | | | | | | |
| NEWS | | | | | | | | |
| MAGS | | | | | | | | |

| Commodity | J | F | M | A | M | J | J | A | S | O | N | D | Annual |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|--------|
| OCC | | | | | | | | | | | | | |
| PCL | | | | | | | | | | | | | |
| NEWS | | | | | | | | | | | | | |
| MAGS | | | | | | | | | | | | | |

