

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF REQUIRING) RESOLUTION NO. 81-216
THAT THE PORTLAND RECYCLING TEAM)
CONTRACT AUTHORIZED BY RESOLUTION) Introduced by the
NO. 81-212 BE CONDITIONED ON) Regional Services Committee
SUBMISSION OF A BUSINESS PLAN)
ACCEPTABLE TO METRO)

WHEREAS, The Council adopted a Waste Reduction Plan by
Resolution No. 81-212 on January 8, 1981; and

WHEREAS, The Council directed that the plan be implemented
in phases and that the first phase to be implemented in the first
year include partial funding for Portland Recycling Team's
warehouse, three drop centers and 11 monthly projects; and

WHEREAS, The Council authorized a contract with the
Portland Recycling Team to partially fund a warehouse and three drop
centers and 11 monthly projects for one year; and

WHEREAS, The Council directed that a Management Review
Committee be established to review Portland Recycling Team's
management structure and function; and

WHEREAS, The Council believes that the Portland Recycling
Team should be required to develop an acceptable business plan as a
condition of the contract with Metro to partially fund the
warehouse, drop centers and monthly projects; now, therefore,

BE IT RESOLVED,

1. That Portland Recycling Team shall be required as a
condition of the contract authorized by paragraph 3 of
Resolution No. 81-212, to submit a business plan acceptable to Metro.

2. That the business plan shall include but not be

limited to the following information and projections:

a. Projected Income

Projected income from all revenue sources, by month, for the term of the contract. Estimated revenues shall be separately stated for sales revenues and revenues from all other sources. Monthly sales revenues estimates shall be separately stated for each item category to be recycled and assumed market value and projected volume of the item to be processed shall be stated.

b. Projected operating expenses.

Estimated operating expenses, by month, shall be separately stated for personnel, trucking, and general and administrative expenses.

c. Net Monthly Profit or Loss.

Revenues and expenses projected under paragraphs (a) and (b) shall be correlated and a projection of profit or loss, by month, for the term of the contract shall be stated.

3. The business plan and its updates will serve as a point of review for the Management Review Committee established under the terms of the PRT/Metro contract.

4. That the contract authorized by paragraph 3 of Resolution No. 81-212 shall contain a condition that no funds beyond the first month's payment shall be paid to Portland Recycling Team

by Metro under the contract until the business plan is submitted to,
and approved by, the Metro Executive Officer.

ADOPTED by the Council of the Metropolitan Service District
this 22nd day of January, 1981.



Presiding Officer

MH/gl/1702B/188

Res 81-216

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Metro Council
FROM: Regional Services Committee
SUBJECT: Requiring that the Portland Recycling Team Contract Authorized by Resolution No. 81-212 be Conditioned on Submission of a Business Plan Acceptable to Metro

I. RECOMMENDATIONS:

- A. **ACTION REQUESTED:** Requiring Portland Recycling Team (PRT) to submit an acceptable business plan to Metro before funds beyond the first month's payment are paid to PRT.
- B. **POLICY IMPACT:** By requiring PRT to submit a detailed business plan, Metro is attempting to closely monitor PRT's business practices through the Management Review Committee.
- C. **BUDGET IMPACT:** Metro Council has approved of the \$84,640 funding for PRT. Should PRT fail to submit an acceptable business plan, Metro would terminate the agreement and not assist PRT beyond the first month. PRT will be receiving \$600 per month from Metro for administrative costs relating to the operation of the monthly projects. In this respect, Metro's business plan submittal requirement would not create a financial burden for PRT.

II. ANALYSIS:

- A. **BACKGROUND:** On January 8, 1981, the Metro Council adopted the Waste Reduction Plan as a priority element in the Solid Waste Management Plan. The plan's first year phase includes a contract for partial funding for PRT's warehouse, three drop centers and 11 monthly projects for one year. The Council directed a Management Review Committee be established to review PRT's management structure and function. As a condition of the contract with Metro, PRT shall submit a business plan including a monthly statement of projected income from all revenue sources with itemized materials, market value and volume; projected operating expenses itemized for personnel, trucking and general and administrative expenses; net monthly profit or loss of the above. The Management Review Committee shall review the business plan and its updates in monitoring PRT's operations.
- B. **ALTERNATIVES CONSIDERED:** The contract with PRT is to maintain existing levels of recycling service for the region. During the term of the contract, management functions and structure shall be reviewed by the Management Review Committee as well as a projected

business plan. At the end of the contract, PRT will have a sound management structure and base to exist on its own finances. The above-mentioned forms of evaluation and monitoring will not be a detriment to PRT's workload and will put their house in order.

- C. **CONCLUSION:** Require an acceptable business plan to be submitted by PRT prior to funds to be dispersed beyond the first month.

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