

**BEFORE THE CONTRACT REVIEW BOARD OF THE
METROPOLITAN SERVICE DISTRICT**

**FOR THE PURPOSE OF AUTHORIZING AN
EXEMPTION TO THE REQUIREMENT OF
COMPETITIVE BIDDING IN METRO CODE
CHAPTER 2.04.40, AND AUTHORIZING A
SOLE SOURCE CONTRACT WITH PHILIP
ENVIRONMENTAL SERVICES INC. FOR
RECYCLING OF OIL-BASED PAINT WASTES
COLLECTED AT METRO'S HOUSEHOLD
HAZARDOUS WASTE FACILITIES**

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RESOLUTION NO. 92- 1662

**Introduced by Rena Cusma
Executive Officer**

WHEREAS, Metro's Household Hazardous Waste Collection Facility at the Metro South Transfer Station collects paints and other hazardous materials that require environmentally sound disposal; and

WHEREAS, Policy 2.2 of the Regional Solid Waste Management Plan states that "Metro shall manage household hazardous waste in accordance with the EPA's management hierarchy of 'reduce, reuse, recycle, treat, incinerate, and finally land disposal.' "; and

WHEREAS, Philip Environmental Services Inc. provides recycling services for paint-related wastes like those generated at the Metro South Household Hazardous Waste Facility, which are preferable under the EPA management hierarchy to the energy recovery incineration method currently utilized by Metro; and

WHEREAS, as documented in the attached staff report, Philip environmental is the only known provider of these recycling services; and

WHEREAS, The recycling services to be provided by Philip Environmental will result in significant cost savings to Metro; and

WHEREAS, This resolution was submitted to the Executive Officer for consideration and was forwarded to the Contract Review Board for approval; now therefore,

BE IT RESOLVED, That the Contract Review Board of the Metropolitan Service District hereby exempts the attached contract (Exhibit "A") with Philip Environmental Services from the competitive bidding requirement in Metro Code Chapter 2.04.40., and authorizes execution of the contract, because the Board finds Philip Environmental Services is the sole provider of the required services.

**ADOPTED by the Contract Review Board of the Metropolitan Service District
this 27th day of August, 1992.**



Jim Gardner, Presiding Officer

JQ:ay
SW921662.RES
July 24, 1992



GRANT/CONTRACT SUMMARY

METROPOLITAN SERVICE DISTRICT

GRANT/CONTRACT NO. 902580
FUND: Operating DEPARTMENT: Solid Waste
SOURCE CODE (IF REVENUE) _____

BUDGET CODE NO. 531-310213-526613-75000
(IF MORE THAN ONE) 531-310214-526613-75000

INSTRUCTIONS

- OBTAIN GRANT/CONTRACT NUMBER FROM CONTRACTS MANAGER. CONTRACT NUMBER SHOULD APPEAR ON THE SUMMARY FORM AND ALL COPIES OF THE CONTRACT.
- COMPLETE SUMMARY FORM.
- IF CONTRACT IS —
 - SOLE SOURCE, ATTACH MEMO DETAILING JUSTIFICATION.
 - UNDER \$2,500, ATTACH MEMO DETAILING NEED FOR CONTRACT AND CONTRACTOR'S CAPABILITIES, BIDS, ETC.
 - OVER \$2,500, ATTACH QUOTES, EVAL FORM, NOTIFICATION OF REJECTION, ETC.
 - OVER \$50,000, ATTACH AGENDA MANAGEMENT SUMMARY FROM COUNCIL PACKET, BIDS, RFP, ETC.
- PROVIDE PACKET TO CONTRACTS MANAGER FOR PROCESSING

1. PURPOSE OF GRANT/CONTRACT Pick up & transport for recycling or disposal certain paint-related wastes collected in Metro collection programs

2. TYPE OF EXPENSE

<input type="checkbox"/> PERSONAL SERVICES	<input checked="" type="checkbox"/> LABOR AND MATERIALS	<input type="checkbox"/> PROCUREMENT
<input type="checkbox"/> PASS THROUGH AGREEMENT	<input type="checkbox"/> INTER-GOVERNMENTAL AGREEMENT	<input type="checkbox"/> CONSTRUCTION
		<input type="checkbox"/> OTHER

OR

TYPE OF REVENUE GRANT CONTRACT OTHER

3. TYPE OF ACTION

<input type="checkbox"/> CHANGE IN COST	<input type="checkbox"/> CHANGE IN WORK SCOPE
<input type="checkbox"/> CHANGE IN TIMING	<input checked="" type="checkbox"/> NEW CONTRACT

4. PARTIES Metro/Philip Enviromental Services, Inc.

5. EFFECTIVE DATE 8/28/92 TERMINATION DATE 6/30/92
(THIS IS A CHANGE FROM _____)

6. EXTENT OF TOTAL COMMITMENT:

ORIGINAL/NEW	\$ <u>200,000.00</u>
PREV. AMEND	_____
THIS AMEND	_____
TOTAL	\$ <u>200,000.00</u>

7. BUDGET INFORMATION

A. AMOUNT OF GRANT/CONTRACT TO BE SPENT IN FISCAL YEAR 19 92 93 \$ 200,000.00

B. BUDGET LINE ITEM NAME Haz Waste Disposal AMOUNT APPROPRIATED FOR CONTRACT \$ 900,000.00

C. ESTIMATED TOTAL LINE ITEM APPROPRIATION REMAINING AS OF July 24, 19 92 \$ 900,000.00

8. SUMMARY OF BIDS OR QUOTES (PLEASE INDICATE IF A MINORITY BUSINESS ENTERPRISE)

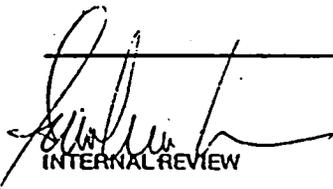
_____	\$ _____	<input type="checkbox"/> MBE
SUBMITTED BY	AMOUNT	
_____	\$ _____	<input type="checkbox"/> MBE
SUBMITTED BY	AMOUNT	
_____	\$ _____	<input type="checkbox"/> MBE
SUBMITTED BY	AMOUNT	

9. NUMBER AND LOCATION OF ORIGINALS Metro SW files/ Metro Contracts Division/ Philip Enviro

10. A. APPROVED BY STATE/FEDERAL AGENCIES? YES NO NOT APPLICABLE
 B. IS THIS A DOT/UMTA/FHWA ASSISTED CONTRACT YES NO
11. IS CONTRACT OR SUBCONTRACT WITH A MINORITY BUSINESS? YES NO
 IF YES, WHICH JURISDICTION HAS AWARDED CERTIFICATION _____
12. WILL INSURANCE CERTIFICATE BE REQUIRED? YES NO
13. WERE BID AND PERFORMANCE BONDS SUBMITTED? YES NOT APPLICABLE
 TYPE OF BOND _____ AMOUNT \$ _____
 TYPE OF BOND _____ AMOUNT \$ _____
14. LIST OF KNOWN SUBCONTRACTORS (IF APPLICABLE)
- | | | |
|------------|---------------|------------------------------|
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
| NAME _____ | SERVICE _____ | <input type="checkbox"/> MBE |
15. IF THE CONTRACT IS OVER \$10,000
 A. IS THE CONTRACTOR DOMICILED IN OR REGISTERED TO DO BUSINESS IN THE STATE OF OREGON?
 YES NO
 B. IF NO, HAS AN APPLICATION FOR FINAL PAYMENT RELEASE BEEN FORWARDED TO THE CONTRACTOR?
 YES DATE _____ INITIAL _____

16. COMMENTS:

GRANT/CONTRACT APPROVAL


 INTERNAL REVIEW

CONTRACT REVIEW BOARD
 (IF REQUIRED) DATE _____

COUNCIL REVIEW
 (IF REQUIRED)

DEPARTMENT HEAD _____

1. _____
 COUNCILOR

DATE _____

FISCAL REVIEW _____

2. _____
 COUNCILOR

BUDGET REVIEW _____

3. _____
 COUNCILOR

LEGAL COUNSEL REVIEW AS NEEDED:

A. DEVIATION TO CONTRACT FORM _____

B. CONTRACTS OVER \$10,000 _____

C. CONTRACTS BETWEEN GOVERNMENT AGENCIES _____

EXHIBIT A

METRO CONTRACT NO. 902580

PUBLIC CONTRACT

THIS Contract is entered into between the METROPOLITAN SERVICE DISTRICT, a municipal corporation, whose address is 2000 S.W. First Avenue, Portland, Oregon 97201-5398, hereinafter referred to as "Metro," and Philip Environmental Services, Inc. whose address is 4623 Byrne Road, Burnaby, BC, CANADA V5J 3H6, hereinafter referred to as the "Contractor."

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I

SCOPE OF WORK

Contractor shall perform the work and/or deliver to Metro the goods described in the Scope of Work attached hereto as Attachment A. All services and goods shall be of good quality and, otherwise, in accordance with the Scope of Work.

ARTICLE II

TERM OF CONTRACT

The term of this Contract shall be for the period commencing August 28, 1992 through and including June 30, 1993

ARTICLE III

CONTRACT SUM AND TERMS OF PAYMENT

Metro shall compensate the Contractor for work performed and/or goods supplied as described in Attachment B. Metro shall not be responsible for payment of any materials, expenses or costs other than those which are specifically included in Attachment B.

ARTICLE IV
LIABILITY AND INDEMNITY

Contractor is an independent contractor and assumes full responsibility for the content of its work and performance of Contractor's labor, and assumes full responsibility for all liability for bodily injury or physical damage to person or property arising out of or related to this Contract, and shall indemnify and hold harmless Metro, its agents and employees, from any and all claims, demands, damages, actions, losses, and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Contract. Contractor is solely responsible for paying Contractor's subcontractors. Nothing in this Contract shall create any contractual relationship between any subcontractor and Metro.

ARTICLE V
TERMINATION

Metro may terminate this Contract upon giving Contractor seven (7) days written notice. In the event of termination, Contractor shall be entitled to payment for work performed to the date of termination. Metro shall not be liable for indirect or consequential damages. Termination by Metro will not waive any claim or remedies it may have against Contractor.

ARTICLE VI
INSURANCE

Contractor shall purchase and maintain at the contractor's expense, the following types of insurance covering the contractor, its employees and agents.

- A. Broad form comprehensive general liability insurance covering personal injury, property damage, and personal injury with automatic coverage for premises and operations and product liability. The policy must be endorsed with contractual liability coverage.
- B. Automobile bodily injury and property damage liability insurance.

Insurance coverage shall be a minimum of \$250,000 per person, \$500,000 per occurrence, and \$50,000 property damage. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000. METRO, its elected officials, departments, employees, and agents shall be named as an ADDITIONAL INSURED. Notice of any material change or policy cancellation shall be provided to METRO thirty (30) days prior to the change.

The contractor, its subcontractors, if any, and all employees working under this contract shall comply with ORS 656.017 for all employees. The contractor shall provide METRO with certification of workers' compensation insurance including employer's liability.

If required in the attached Scope of Work, the contractor shall provide professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in minimum of \$500,000. METRO shall receive certification of insurance and 30 days notice of material change or cancellation.

ARTICLE VII PUBLIC CONTRACTS

All applicable provisions of ORS chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, are hereby incorporated as if such provision were a part of this Agreement, including, but not limited to, ORS 279.310 to 279.320. ORS Chapter 279 states, in part, that the Contractor, its subcontractors, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage to all their subject workers. Specifically, it is a condition of this contract that Contractor and all employers working under this Agreement are subject employers that will comply with ORS 656.017 as required by 1989 Oregon Laws chapter 684.

ARTICLE VIII

ATTORNEY'S FEES

In the event of any litigation concerning this Contract, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to any appellate courts.

ARTICLE IX

QUALITY OF GOODS AND SERVICES

Unless otherwise specified, all materials shall be new and both workmanship and materials shall be of the highest quality.

All workers and subcontractors shall be skilled in their trades. Contractor guarantees all work against defects in material or workmanship for a period of one (1) year from the date of acceptance or final payment by Metro, whichever is later. All guarantees and warranties of goods furnished to Contractor or subcontractors by any manufacturer or supplier shall be deemed to run to the benefit of Metro.

ARTICLE X

OWNERSHIP OF DOCUMENTS

All documents of any nature including, but not limited to, reports, drawings, works of art and photographs, produced by Contractor pursuant to this agreement are the property of Metro and it is agreed by the parties hereto that such documents are works made for hire. Contractor does hereby convey, transfer and grant to Metro all rights of reproduction and the copyright to all such documents.

ARTICLE XI

SUBCONTRACTORS; DISADVANTAGED BUSINESS PROGRAM

Contractor shall contact Metro prior to negotiating any subcontracts and Contractor shall obtain approval from Metro before entering into any subcontracts for the performance of any of the services and/or supply of any of the goods covered by this Contract.

Metro reserves the right to reasonably reject any subcontractor or supplier and no increase in the Contractor's compensation shall result thereby. All subcontracts related to this Contract shall include the terms and conditions of this agreement. Contractor shall be fully responsible for all of its subcontractors as provided in Article IV.

If required in the Scope of Work, Contractor agrees to make a good faith effort, as that term is defined in Metro's Disadvantaged Business Program (Section 2.04.160 of the Metro Code) to reach the goals of subcontracting 0 percent of the contract amount to Disadvantaged Business Enterprise and 0 percent of the contract amount to Women-Owned Business Enterprise. Metro reserves the right, at all times during the period of this agreement, to monitor compliance with the terms of this paragraph and Metro's Disadvantaged Business Program.

ARTICLE XII

RIGHT TO WITHHOLD PAYMENTS

Metro shall have the right to withhold from payments due Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage or claim which may result from Contractor's performance or failure to perform under this agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

If a liquidated damages provision is contained in the Scope of Work and if Contractor has, in Metro's opinion, violated that provision, Metro shall have the right to withhold from payments due Contractor such sums as shall satisfy that provision. All sums withheld by Metro under this Article shall become the property of Metro and Contractor shall have no right to such sums to the extent that Contractor has breached this Contract.

ARTICLE XIII

SAFETY

If services of any nature are to be performed pursuant to this agreement, Contractor shall take all necessary precautions for the safety of employees and others in the vicinity of the services being

performed and shall comply with all applicable provisions of federal, state and local safety laws and building codes, including the acquisition of any required permits.

ARTICLE XIV

INTEGRATION OF CONTRACT DOCUMENTS

All of the provisions of any bidding documents including, but not limited to, the Advertisement for Bids, General and Special Instructions to Bidders, Proposal, Scope of Work, and Specifications which were utilized in conjunction with the bidding of this Contract are hereby expressly incorporated by reference. Otherwise, this Contract represents the entire and integrated agreement between Metro and Contractor and supersedes all prior negotiations, representations or agreements, either written or oral. This Contract may be amended only by written instrument signed by both Metro and Contractor. The law of the state of Oregon shall govern the construction and interpretation of this Contract.

ARTICLE XV

ASSIGNMENT

Contractor shall not assign any rights or obligations under or arising from this Contract without prior written consent from Metro.

PHILIP ENVIRONMENTAL SERVICES, INC.

METROPOLITAN SERVICE DISTRICT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

JQ:sy
PHILIP.CNT
July 24, 1992

ATTACHMENT A SCOPE OF WORK

1. Contractor shall pick up and transport for recycling or disposal certain paint-related wastes collected in Metro collection programs. These wastes will consist primarily of household hazardous waste (HHW) collected at Metro's HHW collection facilities, but may also consist of wastes collected from generators classified as Conditionally Exempt Generators (CEG's) under Oregon law, or of wastes isolated from mixed solid wastes at one of Metro's solid waste transfer stations.
2. Contractor shall accept types of wastes described in the attached Schedule 1, which is incorporated herein by this reference. Metro shall package wastes as described in Schedule 1. Where "sample required" is indicated in Schedule 1, Metro shall provide a representative sample to Contractor prior to the first shipment of that waste. Contractor will accept each waste type only if the physical and chemical characteristics of the sample are satisfactory to Contractor. Contractor shall assist Metro in preparing Waste Material Questionnaires based on the samples provided. Contractor and Metro will prepare separate Waste Material Questionnaires for each Metro facility that generates waste for pickup by Contractor.
3. Metro warrants and represents to Contractor to the best of Metro's knowledge, that all wastes tendered under this contract will conform to the composition and description specified in the Waste Material Questionnaires prepared, and that Metro has sole title to the waste tendered and is under no legal restraint whether statutory, regulatory, administrative, or judicial which prohibits transfer of title to same. If wastes presented for shipment are found to not conform to the appropriate Waste Material Questionnaire, title of the waste shall not pass to Contractor, and shall remain with Metro. At Metro's request, Contractor may as bailee for hire transport and dispose of any non-conforming waste provided to Contractor. Metro shall bear all reasonable additional costs of transportation and disposal of non-conforming waste incurred by Contractor and requested by Metro. To the extent that Contractor is unable or elects not to dispose of non-conforming waste, or if Metro so directs, Metro shall accept delivery of such non-conforming wastes at one of the Metro HHW facilities. All waste that Contractor accepts is accepted AS IS, WITH NO WARRANTIES. METRO DOES NOT WARRANT THAT WASTE ACCEPTED BY CONTRACTOR IS MERCHANTABILITY, OR THAT IT IS FIT FOR ANY PARTICULAR USE. METRO SHALL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL DAMAGES STEMMING FROM THE USE OF ANY WASTE DELIVERED TO CONTRACTOR
4. Contractor shall prepare both US and Canadian manifests for all shipments of wastes picked up from Metro. Contractor shall prepare a sample shipping label for each type of waste to be picked up, prior to the first pickup of that waste type. Metro staff shall label wastes for shipment based on the sample provided by Contractor.

5. Contractor or Contractor's subcontractor shall provide transportation from either the Metro South Household Hazardous Waste Facility, located at 2001 Washington Street, Oregon City, Oregon, 97045, USA, or from the Metro Central Household Hazardous Waste Facility, located at 6161 NW 61st Avenue, Portland, Oregon, 97210, USA. Contractor may pick up wastes from other locations in the greater Portland area by mutual agreement.
6. Contractor shall, at Contractor's risk, load wastes onto transporting vehicles. Metro shall provide access to the waste and shall keep the location from which the wastes will be loaded in such condition as to enable Contractor to carry out the loading in a safe manner. Metro shall be responsible for control of the area and the loading point, and shall take all steps necessary to ensure the health and safety of all persons in the area including Contractor's employees. Transfer of title to the waste shall occur at the time Contractor completes loading of the waste at Metro's facility, subject to the provisions of item #3 above.
7. Contractor shall transport all wastes collected from Metro to the Ticor Technology Ltd. facility, located at 4623 Byrne Road, Burnaby, British Columbia, V5J 3H6, Canada.
8. Wastes transported to Contractor's facility shall be processed as described in Schedule 1. Where "recycle ash" is designated in Schedule 1, Contractor shall provide written certification to Metro that all ash produced during the incineration process is recycled by incorporation into a paint-related product. If Contractor at any time anticipates an inability to recycle the ash from wastes generated by Metro, Contractor shall provide reasonable advance notice to Metro, so that Metro may make alternate disposal arrangements.
9. Contractor shall purchase and maintain at contractor's expense, the following types of insurance covering the contractor, its employees and agents:
 - A. Broad form comprehensive general liability covering bodily injury, property damage, and personal injury with automatic coverage for premises/completed operations and product liability. The policy must be endorsed with contractual liability coverage.
 - B. Environmental Impairment Liability covering emissions, discharges, dispersals, disposal, releases, escapes or seepages of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, waste materials, irritants, and contaminants that spoil the land, atmosphere, or water.

Insurance coverage for general liability shall be a minimum of \$1,000,000. Environmental Impairment Liability shall be in the amount of \$1,000,000 per occurrence, \$2,000,000 aggregate.

Contractor or Contractor's subcontractor providing transportation services under this contract shall purchase and maintain at the transportation provider's expense, the following insurance covering the transportation provider, its employees and agents:

Automobile bodily injury and property damage liability, insurance including MCS-90 endorsement. The aggregate amount for automobile liability insurance coverage shall be in the amount of \$5,000,000.

METRO, its elected officials, departments, employees and agents shall be named as an ADDITIONAL INSURED under all of the above policies. Notice of any material change or policy cancellation shall be provided 30 days prior to the change. Contractor shall provide Metro with a certificate or certificates of insurance as specified in Article VI of the contract form.

- 10. Metro shall normally notify Contractor at least ten working days before wastes are to be picked up by Contractor, and shall describe types and amounts of wastes to be picked up. Contractor shall pick up all properly packaged and labeled wastes that are included in Schedule 1 when requested by Metro. When possible, Metro shall accumulate a load of 30 to 40 drums for pickup.**
- 11. Each calendar quarter, Contractor shall provide Metro with a report showing summaries of the final disposition of all wastes picked up by Contractor from Metro. This shall include information on number of drums and bins of each category described on Schedule 1, and whether the wastes were disposed of in the manner described on Schedule 1. If this report is inconsistent with Metro data, Contractor shall assist Metro in determining the source of the inconsistency.**
- 12. Contractor shall comply with ORS 656.017 for all employees who work in the state of Oregon for more than 10 days. The contractor shall provide Metro with certification of worker's compensation including employer's liability.**
- 13. Contractor shall perform all services in accordance with all applicable US, Canadian, state, provincial and local laws, rules, regulations and orders. Contractor warrants and represents to Metro that it has obtained and is in good standing under and will continue to maintain all licenses and permits required to carry out its obligations under this contract.**
- 14. Metro warrants and represents to Contractor that it is in compliance with all U.S. and state laws and licensing requirements required to carry out its obligations under this contract, and that it has received all permits, licenses, authorizations, and identification numbers required for Metro's activities described in this contract.**

Schedule 1

1. Oil-based paint solids

This category consists of non-pumpable solvent-based wastes consolidated by Metro staff. The solid portion of containers of unwanted or used commercial products including oil-based paints, stains, lacquers, thinners, strippers (non-corrosive), inks, dyes, and epoxy resins are bulked into this category.

Sample required.

Packaging: DOT 17H open top drums, 55-gallon, new drums only.

Disposal: thermal oxidation, recycle ash. (Any incidental high-BTU liquids collected in the course of processing this category may be shipped off-site for fuel blending as per Contractor's standard procedures.)

2. Latex paint waste

This category includes all latex paints that are rejected from Metro's latex recycling program.

Sample required.

Packaging: DOT 17H open top drums, 55-gallon, new drums only.

Disposal: thermal oxidation, recycle ash.

3. Aerosol paints

This category includes cans of spray paint and paint-related materials. The cans may be full, partially full, or nearly empty.

Packaging: loose-packed in DOT 17H open-top drums, 55-gallons, reconditioned drums OK.

Disposal: depressurization of cans, incineration of propellant gases in rotary kiln, thermal oxidation of paint residues, recycling of metal.

4. Contaminated empty paint cans

This category consists of empty metal cans generated in the course of consolidating materials for category #1. There are traces of paint-related material on these cans, but free liquids are less than 1% of the container capacity.

Packaging: cans nested together, not crushed, stacked in tote bins. Bins shall be 4' X 4' X 4' in dimension, and no cans shall protrude higher than 6 inches above the top of the bin. (Bins to be purchased by Metro and returned to Metro for reuse.)

Disposal: thermal oxidation of residues, recycling of metal.

**ATTACHMENT B
COST SCHEDULE**

1. Total payments under this contract shall not exceed \$200,000.00 (Two Hundred Thousand Dollars) for the period from August 28, 1992 until June 30, 1993.
2. Contractor shall bill Metro on a monthly basis. Metro shall pay contractor within 30 days of receiving an approved invoice. Payment will be based on the following schedule:

<u>Category</u>	<u>cost</u>
1. oil-based paint solids	\$325.00/55-gallon drum
2. latex paint waste solids	\$300.00/55-gallon drum
3. aerosol paints	\$300.00/55-gallon drum
4. contaminated empty paint cans	\$325.00/tote bin

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PHILIP.SOW
July 24, 1992

SOLID WASTE COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 92-1662, FOR THE PURPOSE OF AUTHORIZING AN EXEMPTION TO THE REQUIREMENT FOR COMPETITIVE BIDDING IN METRO CODE CHAPTER 2.04.40, AND AUTHORIZING A SOLE SOURCE CONTRACT WITH PHILIP ENVIRONMENTAL SERVICES INC. FOR RECYCLING OF OIL-BASED PAINT WASTES COLLECTED AT METRO'S HOUSEHOLD HAZARDOUS WASTE FACILITIES

Date: August 19, 1992

Presented by: Councilor Wyers

Committee Recommendation: At the August 18 meeting, the Committee voted 4-0 to recommend Council adoption of Resolution No. 92-1662. Voting in favor: Councilors Buchanan, Hansen, McFarland and Wyers. Councilor Van Bergen was excused.

Committee Issues/Discussion: Sam Chandler and Jim Quinn, Solid Waste Facilities Staff, presented the staff report. Chandler noted that the proposed contract would allow for the recycling of a significant portion of the paint disposed of at Metro's HHW facilities. Currently this material is burned. The contract would save Metro about \$200/drum in disposal costs, or about \$65-95,000 per year.

Quinn explained that Metro will be sending oil-based paints to the contractor who will process the material and recover certain pigments and solids. These materials are then sent to a paint manufacturer that includes them in an industrial primer product. Quinn indicated that Metro also may send aerosol paint cans to the contractor for recycling following a review of other potentially more cost-effective disposal methods.

Quinn told the committee that about 60-65% of the latex paint brought to Metro facilities is being recycled. Metro also is exploring more cost-effective methods disposing of the latex paint that cannot be recycled, including disposal at the Columbia Ridge Landfill.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 92-1662 FOR THE PURPOSE OF AUTHORIZING AN EXEMPTION TO THE REQUIREMENT OF COMPETITIVE BIDDING IN METRO CODE CHAPTER 2.04.040, AND AUTHORIZING A SOLE SOURCE CONTRACT WITH PHILIP ENVIRONMENTAL SERVICES INC. FOR RECYCLING OF OIL-BASED PAINT WASTES COLLECTED AT METRO'S HOUSEHOLD HAZARDOUS WASTE FACILITIES

Date: July 21, 1992

Presented by: Sam Chandler
Jim Quinn

PROPOSED ACTION

Adoption of Resolution No. 92-1662 would authorize exemption to competitive bidding procedures and authorize execution of the attached public contract (Exhibit A) with Philip Environmental Services for recycling of various paint-related wastes that are collected at Metro's Household Hazardous Waste Facilities. This contract would provide a recycling opportunity that is both higher on the hazardous waste reduction hierarchy and less expensive than the disposal option currently being utilized. Philip Environmental's Ticor Facility is the only facility in North America that provides this type of paint recycling.

FACTUAL BACKGROUND AND ANALYSIS

The Household Hazardous Waste Collection Facility at Metro South has been operating for more than five months, and has serviced about 5000 participants. During this time about 30,000 gallons of paint, both latex and oil-based, have been collected, along with a variety of other hazardous materials.

The staff at the facility are continually searching out new recycling and disposal methods for the materials collected that are more environmentally sound or more cost-effective than current disposal practices. The staff recently learned of a paint recycler, Philip Environmental, that provides a paint recycling service for oil-based paint solids and certain other paint-related wastes that are collected in Metro's household hazardous waste program.

Under the proposed contract with Philip, they will pick up paint-related wastes collected at the HHW Facility (and possibly other Metro locations when appropriate), transport them to their plant in British Columbia, and process them using a unique recycling procedure which they have developed.

The primary waste stream to be handled by Philip is the solid portion of oil-based paints. Philip's process involves passing the paint solids through a rotary kiln to burn off all of the residual solvents, leaving behind an ash containing only pigments and other relatively non-hazardous

solids. These solids are then sold to a paint manufacturer, also located in British Columbia, who blends them in as part of an industrial primer product which they produce. To insure that the ash is in fact recycled, the proposed contract includes a clause requiring Philip to provide a certificate of recycling for each batch processed. The contract also calls for Philip to notify Metro in advance if for any reason they are not able to guarantee ash recycling.

Currently, solids from oil-based paints collected at the Metro South HHW facility are shipped to a cement kiln, where they are incinerated, and the energy is used in the course of kiln operations. This costs Metro \$550.00 per drum under our current contract with Western Compliance Services, whereas Philip will process the waste at \$325.00 per drum. About 6 to 8 drums per week of paint solids could be sent to Philip. This would result in a savings of \$1350 to \$1800 per week to Metro.

In addition to the cost savings, this recycling alternative is higher on the waste reduction hierarchy for household hazardous waste. This hierarchy, adopted by the Metro Council as policy 2.2 of the Regional Solid Waste Management Plan, prioritizes household hazardous waste management practices in the following order: reduce, reuse, recycle, treat, incinerate, and finally, land disposal.

The proposed contract with Philip also allows for recycling of other paint-related waste streams. Cans of spray paint may be sent to the Philip facility, where they will be safely emptied of their contents so that the metal may be recycled. This can be done at half the cost of our current disposal method, destructive incineration.

The contract also allows for sending latex paint solids to Philip. It is not certain that this option will be utilized, as facility staff are currently investigating the feasibility of a much less expensive solidification disposal method. If it is utilized, it would only be for latex paint that is low in hazardous components, and is not recyclable through the latex paint recycling program currently under development. This would probably amount to about 25% of the latex paint collected.

The final waste stream addressed in the Philip contract is empty paint cans contaminated with traces of solvent wastes. These cans would be sent through Philip's kiln and cleaned of solvent residues, so that they would be acceptable to a scrap metal recycler. Currently these cans are simply disposed of as regular trash. Because of the high cost of this option, it is uncertain whether it would be utilized.

Considerable information on hazardous waste disposal has been gathered by the Solid Waste Operations Division over the past year or so, and it is quite clear from our research that no service comparable to that provided by Philip is available anywhere in North America. We sent out a household hazardous waste disposal RFP in June of 1991, telling respondents that recycling methods were preferred. None of the respondents proposed any type of paint recycling.

Several Metro staff persons went to a national conference on household hazardous waste in December of 1991, attended all sessions relating to paint disposal, and networked extensively with program representatives from around the country. Metro staff was specifically looking for a method of recycling oil-based paint, and did not discover any company involved in that activity.

Extensive contact with DEQ, various hazardous waste industry representatives, and paint industry managers and consultants over the past year turned up no information on paint recycling similar to that conducted by Philip.

BUDGET IMPACT

The proposed contract with Philip includes a maximum expenditure of \$200,000, which would come from the existing hazardous waste disposal allocation. The FY 1992-1993 Operations budget includes \$1,170,000 for hazardous waste disposal.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 92-1662.

JQ:sy
STAF0721.RPT
July 24, 1992



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

To: Solid Waste Committee Members

From: John Houser, Council Analyst

Date: August 11, 1992

Re: Resolution No. 92-1662, For the Purpose of Authorizing an Exemption to the Requirement of Competitive Bidding in Metro Code Chapter 2.04.040, and Authorizing a Sole Source Contract with Philip Environmental Services Inc. For Recycling of Oil-Based Paint Wastes Collected at Metro's Household Hazardous Waste Facilities

Resolution No. 92-1662 is scheduled for consideration by the Committee at the August 18 meeting.

Background

The purpose of the resolution is to provide for a sole source contract with Philip Environmental Services of British Columbia for the recycling of various household hazardous waste (HHW) paint products delivered to Metro's HHW facilities. The contract would be for a maximum of \$200,000 for the remainder of this fiscal year. The amount paid under the contract would be based on a per drum or per bin amount depending on the type of product.

The primary immediate effect of the contract would be to reduce the cost of processing oil-based paints. Currently, such products are burned and used as an energy source. Philip Environmental would recycle the paint solids after the solvents are burnt off. The cost would be about \$225 less per 55-gallon drum than the present disposal process. Estimated annual savings would be between \$65-95,000.

The contract also allows Metro to permit Philip Environmental to process certain latex paints, aerosol spray paint cans, and empty paint cans. Staff is still evaluating the cost-effectiveness of these disposal processes.

The staff report indicates that the recycling process used by Philip Environmental is the only process of its type in North America.

Issues and Questions

The committee may wish to address the following issues and questions related to the proposed resolution:

1) Does the estimated cost of the contract include only the processing of oil-based paints or could other paint-related products be processed within the \$200,000 maximum?

2) The staff report notes that spray paint cans "may" be sent to the Philip facility, noting that the cost would be about one-half the current cost of disposal. Is it staff's intent to send such cans to the Philip facility?

3) What is the current timeline for the development of the latex paint recycling program noted in the staff report? Could staff review the potential types of recycling and disposal options available for latex paint and the potential amounts or percentages of latex materials that could be recycled or disposed of by each option?