

PUBLIC-PRIVATE PARTNERSHIP PAYING OFF FOR MRF PARTNERS AND USERS IN DALLAS

Faced with a potential for losing money with every curbside collection of recyclables, municipal leaders in Dallas knew they needed a change. So the city decided to review its recycling contracts, evaluate options and pursue a strategy that could both protect the environment and plug the program's potential financial drain. The result? A public-private partnership that reduces risk while increasing opportunities.



PUBLIC-PRIVATE PARTNERSHIP EXPANDS RECYCLING CAPACITY AND FINANCIAL SECURITY

A new materials recovery facility serves Dallas residents and businesses – and protects them from the risk of falling prices.

With its 2007 contract for recycling services aging rapidly amid a collapse in commodity prices, solid waste officials in Dallas knew they would need a fresh approach if they hoped to avoid unwelcome expenses. They found it in a public-private partnership: In exchange for 15 acres at the city landfill, a European firm would design, build and operate a materials recovery facility (MRF) for use by Dallas and, potentially, surrounding communities.

And it wouldn't cost the city a dime.

FCC Environmental Services, with U.S. headquarters in Houston, opened its new MRF in January 2017 at the McCommas Bluff Landfill. In exchange for the land, FCC secured a 15-year agreement to process the city's curbside collections and sell the recycled materials to generate revenue.

Burns & McDonnell worked with the city to develop the arrangement's parameters, and has helped see it through. FCC designed, built and operates its MRF at the landfill, with financial arrangements in place:

- Dallas pays FCC a processing fee of \$70.54 per ton.
- FCC pays Dallas half of the revenue generated by material sales, plus another \$15 for every ton brought in from customers outside the city.

If prices hold steady and collections increase – several adjacent communities are using the MRF – Dallas makes money. But if revenues fall short of Dallas' fee payments, FCC covers the difference.

"Everybody wins," says Scott Pasternak, who led the Burns & McDonnell efforts on the project. "It's a great model."



PROJECT STATS

CLIENT

City of Dallas, Texas

LOCATION

Dallas, Texas

SERVICES

Solid Waste Management Planning

15

**YEARS IN AGREEMENT,
WITH OPTION FOR
10-YEAR EXTENSION**

15

ACRES PROVIDED BY CITY

120K

**TONS ANNUAL
COLLECTION CAPACITY**

0

**FINANCIAL RISK TO CITY
FOR PROCESSING**