



Sunnyvale

# **SMaRT Station<sup>®</sup> Merchant User Agreement**

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# SMaRT Station<sup>®</sup> Details

- Sunnyvale Material Recovery Transfer Station
- Capacity: 1500 tons / day:
  - Available: 800 tons / day
- Operated by Bay Counties SMaRT
- Partner: City of Mountain View



# SMaRT Incoming Waste Streams



Garbage/Municipal Solid Waste



Tree and Yard Trimmings



Food Scraps



Bottles, Cans & Containers



Paper & Cardboard



Construction and Demolition Material

Source Separated Recyclables

# City of Cupertino

- Waste Hauler - Recology
- Mixed Waste is currently landfilled at Newby
- Merchant user agreement for:
  - ◆ 15,000 tons of Mixed Waste (garbage) processing and related disposal

## Cupertino's collection system:



Organics



Recycling



Mixed Waste

# BACKGROUND

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- Cupertino City council approved RFP for garbage processing on May 2, 2023
- Sunnyvale City Council approved staff to submit a proposal for RFP on June 27, 2023
- Cupertino decided to engage with Sunnyvale in direct negotiations due to proximity and available capacity at SMaRT Station

# Merchant User vs Partner

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- Partner: All costs and benefits are shared (like City of Mountain View)
- Merchant User: Per ton pricing
- Staff negotiated both options with Cupertino
  - ◆ Provided per ton rates
  - ◆ Discussed pros and cons
  - ◆ Discussed draft Assumption agreement for partner
  - ◆ Discussed draft merchant user agreement
  - ◆ Timing of the agreement

# Benefits to Partner Cities and Cupertino

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## Partner Cities (Sunnyvale & Mountain View)

- ◆ Economies of scale
- ◆ Generate ~\$2M/year in new revenue; will improve SMaRT Station's net financial position.
- ◆ Utilize available capacity

## Cupertino

- ◆ Meet Zero Waste goals
- ◆ Increase landfill diversion (from 0% to 50%)
- ◆ Reduced Cost

# Proposal Details

- Cupertino seeking Merchant User option
- Pricing (per ton) takes into account:
  - ◆ Operating costs
  - ◆ Landfill disposal costs
  - ◆ Equipment and facility maintenance
  - ◆ General Fund Costs
  - ◆ Capital costs (NextGen Improvements)
- Term: 20 years
- Processing will begin after NextGen improvements are complete (Jan 2027)



# Staff Recommendation

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Alternative 1: Authorize the City Manager to execute the SMaRT Station Merchant User Agreement between City of Sunnyvale and City of Cupertino



Sunnyvale

Thank You!

