

REPORT TO THE BOARD OF MAYOR & ALDERMEN

DATE: July 27, 2026

FROM: Josh Russell, Public Works Director

SUBJECT: Sole Source Agreement for Recyclable Material Processing Services

INTRODUCTION:

The purpose of this agenda item is to approve a sole source agreement with FCR Tennessee for the processing of recyclable materials collected through the Town's curbside recycling program.

BACKGROUND:

Since August 2019, the Town has utilized West Tennessee Recycling Center through an Interlocal Agreement to process recyclable materials collected through the Town's residential recycling program. Prior to entering into that agreement, the Town utilized FCR Tennessee (formerly ReCommunity) under a sole source agreement following the closure of the Rock-Tenn recycling facility.

In May 2026, West Tennessee Recycling Center notified the Town ongoing staffing shortages, equipment failures, declining commodity markets, and other operational challenges were affecting its ability to continue accepting and processing recyclable materials. The Town subsequently received written confirmation the facility could no longer guarantee acceptance of the Town's recycling volumes. As a result, staff began evaluating alternative processing facilities to ensure uninterrupted recycling services.

DISCUSSION:

Staff evaluated available regional recycling processing facilities and determined that FCR Tennessee (formerly ReCommunity) is the only known Facility within the Tri-State region capable of consistently processing the Town's recycling volumes.

Because no other regional facilities are capable of providing these services, staff determined this procurement qualifies as a sole source in accordance with the Town's Purchasing Policy. Staff therefore recommends approval of a sole source agreement with FCR Tennessee.

Due to the continued uncertainty within the recycling industry, the proposed agreement has been structured on a month-to-month basis with a maximum term of ninety (90) days. Staff will meet with FCR Tennessee after approximately sixty (60) days to evaluate contract performance, operational needs, and market conditions before determining whether any additional action is warranted.

Under the proposed agreement, FCR Tennessee will charge \$200 per ton for recyclable material processing, compared to \$50 per ton under the Town's agreement with West Tennessee Recycling Center. During the same three-month period last year, the Town transported approximately 370 tons of recyclable materials. If similar volumes are generated during the ninety (90)-day agreement, processing costs are estimated at approximately \$74,000, compared to approximately \$18,500 under the previous agreement.

Approval of this agreement will ensure uninterrupted residential recycling services while maintaining the Town's commitment to providing a comprehensive recycling program for its residents.

BUDGET IMPACT:

FY 2026

Fund	Dept.	Obj. Code	Description	Approved Line Item Budget	Previous Expenses	Proposed Expense ⁽¹⁾	Budget Impact
125	43200	299-01	Recycle Material Processing	\$100,000.00	\$0.00	Not to exceed budget	N/A

(1) The proposed month-to-month agreement will be funded through the FY27 operating budget. Staff will monitor expenditures and return to the Board for additional appropriations if required.

ATTACHMENTS:

[FCR Collierville Recycling Contract - 7-15-26.pdf](#)

[Sole Source #164 - FCR Tennessee LLC.pdf](#)

PROPOSED MOTION:

To approve a sole source agreement with FCR Tennessee for the processing of the Town's recyclable materials on a month-to-month basis, with a total agreement term not to exceed ninety (90) days.

Board Action: Motion By _____ Seconded By _____

Vote Total	Hall	Jordan	Robbins	Marshall	Stamps	Fraser
Yes						
No						
Abstain						