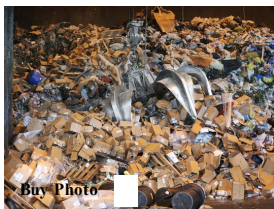


City sued over \$45M recycling center deal

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(Photo: Matt Detrich/The Star)

A lawsuit has been filed against the City of Indianapolis over a recently finalized recycling contract.

In August, the city agreed to a deal with Covanta worth an estimated \$112 million. Two paper companies and an Indianapolis resident are listed as plaintiffs in the lawsuit.

The city is accused of violating requirements for bidding and public notice. The suing parties are trying to put the brakes on the deal that includes building a \$45 million recycling facility. An attorney for the plaintiffs declined to comment.

Public comment was allowed during a city board meeting but the lawsuit argues a separate hearing was required. It goes on to accuse the city of failing to release any potential agreement and terms before the meeting.

Court documents also show one of the companies, Rock-Tenn Converting, would have potentially bid on the project if it had the opportunity.

Stephanie Wilson, a spokeswoman for the city's Department of Public Works, defended the deal in an email.

"We are perfectly within our legal right to amend our contract with Covanta," she said. "The new Advanced Recycling Center will be one of the most modern facilities in the world and is a common-sense program to increase recycling in the city — at no cost to taxpayers or government."

Public Works Board Member Greg Garrett said he didn't receive a copy of the contract until a couple days before the scheduled vote. A majority of the board members were appointed by the Ballard administration. Garrett said he tried to raise concerns about the contract and board procedure.

Covanta said the company is moving ahead with the construction project and is currently in the process of obtaining permits. The new facility is scheduled to be up and running by 2016.

"What we're seeing and I think the most troubling thing about this, is that we're seeing a pattern of lack of transparency, and lack of accountability and lack of oversight," said City-County Councilor Zach Adamson.

Adamson compared the deal to the restrictive contract for the Regional Operations Center. The contract with Covanta discourages competition from alternative recycling programs. Under the terms, Covanta could impose penalties on the city if it launched a new or better recycling program.

Recycling advocates voiced their concern about the new Covanta facility. The Indiana Recycling Coalition has called the plan a "major step backwards."

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"The IRC believes a competitive process would result in a waste disposal and recycling contract that would be much better for taxpayers, for recycling and for job creation," the group said in a statement.

Recycling advocates and some City-County Council Democrats have objected to the deal, which is part of Republican Mayor Greg Ballard's city-wide recycling plan.

John Barth, the council's vice president, has said the proposal doesn't allow for recycling glass and makes paper nearly impossible to recycle. In addition, he said estimates for the program show only an 18 percent recovery rate for recycled material.

But Ballard has said the plan would increase participation in recycling from less than 10 percent to 100 percent, since all of the city's trash would be filtered by the new plant's recycling sorter.

Indianapolis now has a curbside program in which just 10 percent of residents participate. Recycling advocates say the rate is low because of a \$6 monthly charge. They urged Ballard to strengthen curbside recycling, which they say is cleaner and more efficient, before jumping to a "one-stream" recycling center.

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