



## Legislation Text

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**File #:** 19-0083, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Stephanie Katsouleas, Public Works Director  
Anna Luke-Jones, Senior Management Analyst

**SUBJECT:**

Resolution No. 19-0007 Awarding a 7-Year Franchise Agreement for the City's Next Integrated Solid Waste Management Services (Continued from the January 15, 2019 City Council Regular Meeting) (Public Works Katsouleas).

**ADOPT RESOLUTION NO. 19-0007**

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**RECOMMENDATION:**

Staff recommends that City Council review final negotiated franchise agreements from three solid waste haulers who responded to the City's Request for Proposals (RFP) for Integrated Solid Waste Management Services; and adopt Resolution No. 19-0007 awarding a 7-year Franchise Agreement for the City's next integrated solid waste management services to one of the three solid waste haulers.

**FISCAL IMPLICATIONS:**

The fiscal implications have yet to be determined and are dependent on which contractor is selected to provide Integrated Solid Waste Management Services, and:

- The outcome of the Proposition 218 process following selection of a hauler; and
- The updated City Recovery Cost (CRC) administered to execute the program, which currently includes fees for billing services.
- Updated hauler rates based on the consumer price index (CPI) to reflect a start date of July 1, 2020.

**DISCUSSION:**

On January 15, 2019, staff made a presentation highlighting the actions taken over the past 18 months toward selecting a new franchise hauler for the City's next 7-year solid waste hauling contract. Following staff's presentation as well as comments received from the public and the three haulers who responded to the RFP (Athens Service, Waste Management and Waste Resources Technologies), City Council discussed the merits of and exceptions to each of the executed (and one intent to execute) agreements and directed staff to return to the February 5, 2019, for final consideration. City Council also advised staff to outreach to the community about the final selection

process underway for solid waste services, which represents the City's largest contract. Staff outreach efforts conducted over the past several weeks include:

- Ads in two Beach Reporter publications (January 24 and January 31, 2019);
- New Item on the City's website ([www.citymb.info](http://www.citymb.info) <<http://www.citymb.info>>);
- E-notifications sent on January 28, 2019;
- Posted on the City's Facebook and Twitter accounts on January 29, 2019; and
- Posted on Nextdoor during the week on January 28, 2019.

Recall that the following rates were calculated and presented as follows:

### 1. 2019 Annual and 7-Year Total Contract Costs

(2019/20 First Year Rate, 7-Year Cumulative Total at 2% annual CPI, and Percentage Above the City's 2018/19 Contract Rate)

Company	2019/20 Rate	7-Year Total% Above Current <u>For FY 2019/20</u>	
<b>Current Rate (FY18/19)\$3,845,000</b>			
Waste Management	\$5,657,000	\$42,055,741	47%
Waste Resources Tech.	\$6,547,000	\$48,672,253	70%
Athens Service	\$8,226,000	\$61,154,415	114%

### 2. Monthly Individual Customer Rates (plus City Recovery Costs of 13.2%) (Single Family Residential and One Commercial Example)

Company	35-Gallon	65-Gallon	95-Gallon	% Incr. 65-gal
<i>Current City Recovery Cost</i>	<i>\$1.26</i>	<i>\$1.84</i>	<i>\$2.42</i>	
<b>Current Residential Rate</b>	<b>\$9.55</b>	<b>\$13.95</b>	<b>\$18.36</b>	
Waste Management	\$13.40	\$17.40	\$21.40	25%
Waste Resources Tech.	\$18.00	\$22.00	\$26.00	58%
Athens Service	\$22.00	\$26.00	\$30.00	86%

Company	3Yd <sup>3</sup> Trash	3Yd <sup>3</sup> Recycling	% Above Current*
<i>Current Cost Recovery Rate</i>	<i>\$14.76</i>		
<b>Current Commercial Rate</b>	<b>\$111.83</b>	<b>\$0</b>	
Waste Resources Tech.	\$148.29	\$74.15	99%
Waste Management	\$174.30	\$87.15	134%
Athens Service	\$247.47	\$123.74	232%

[\* Compares current commercial trash rate vs. new trash + recycling costs]

Staff now recommends that City Council adopt Resolution No. 19-0007 awarding a 7-year Franchise Agreement for the City's next integrated solid waste management services to one of the three solid waste haulers under consideration and direct staff to finalize the agreement.

### Attachments:

1. Resolution No. 19-0007

2. Link to January 15, 2019 Staff Report and Attachments
3. Public Comments (Received After January 15, 2019)
4. Additional Attachment (To Be Delivered Under Separate Cover on January 31, 2019)