

# **City Council**

July 1, 2014

# Solid Waste Services

- Request for Proposals published February 11, 2014
- Republic Services' Proposals were Ranked First
- Council Authorized Staff to Negotiate with Republic based on the Ranking
- Contract Terms and Conditions were Negotiated for:
  - Solid Waste Collections
  - Landfill Lease and Operations

# Waste Collections

## Topics of Negotiation included:

1. Term or Length of the Contract
2. Services to be Provided for Residential and Non-Residential Customers
3. Rates for Services Performed
4. Performance Requirements

# Waste Collections

## -Term-

- Negotiated Length of Term for the Special Contract
  - Initial Term of 10 Years
  - 1<sup>st</sup> Optional Renewal Term: 8 Years
  - 2<sup>nd</sup> Optional Renewal Term: 2 Years
- Renewal Terms Coincide with the Life Expectancy of the Landfill

# Waste Collections

## - Residential Services -

Contractor will Provide Solid Waste and Recycling Services to Residential Customers

- **Method:** Automated Collection using 96 Gallon Carts
- **Frequency:** 1 Time per Week Solid Waste; 1 Time per Week Recycling (two separate carts)
  - \*\*Color of Carts is at Council Discretion
- **Collection Points:** Curbside, i.e. front of home; Alleyway for homes with rear access garages and parking
- **Bulk Waste** will be Collected 4 Times per Year (5 yard limit per quarter as directed by City Staff)
  - Out-of-Service Bulk Waste pickup will be available for additional fee

# Waste Collections

- Republic will Provide Education on the New Services being Provided
- Citizen's Free Dumping will Remain
  - One Free Dump per Month with Current Water Bill and ID
- Disabled Persons Service – Special Pick-up, Dumping, and Return of Carts for Qualifying Customers

# Waste Collections

## - Rates -

### Negotiated Residential Collection Pricing

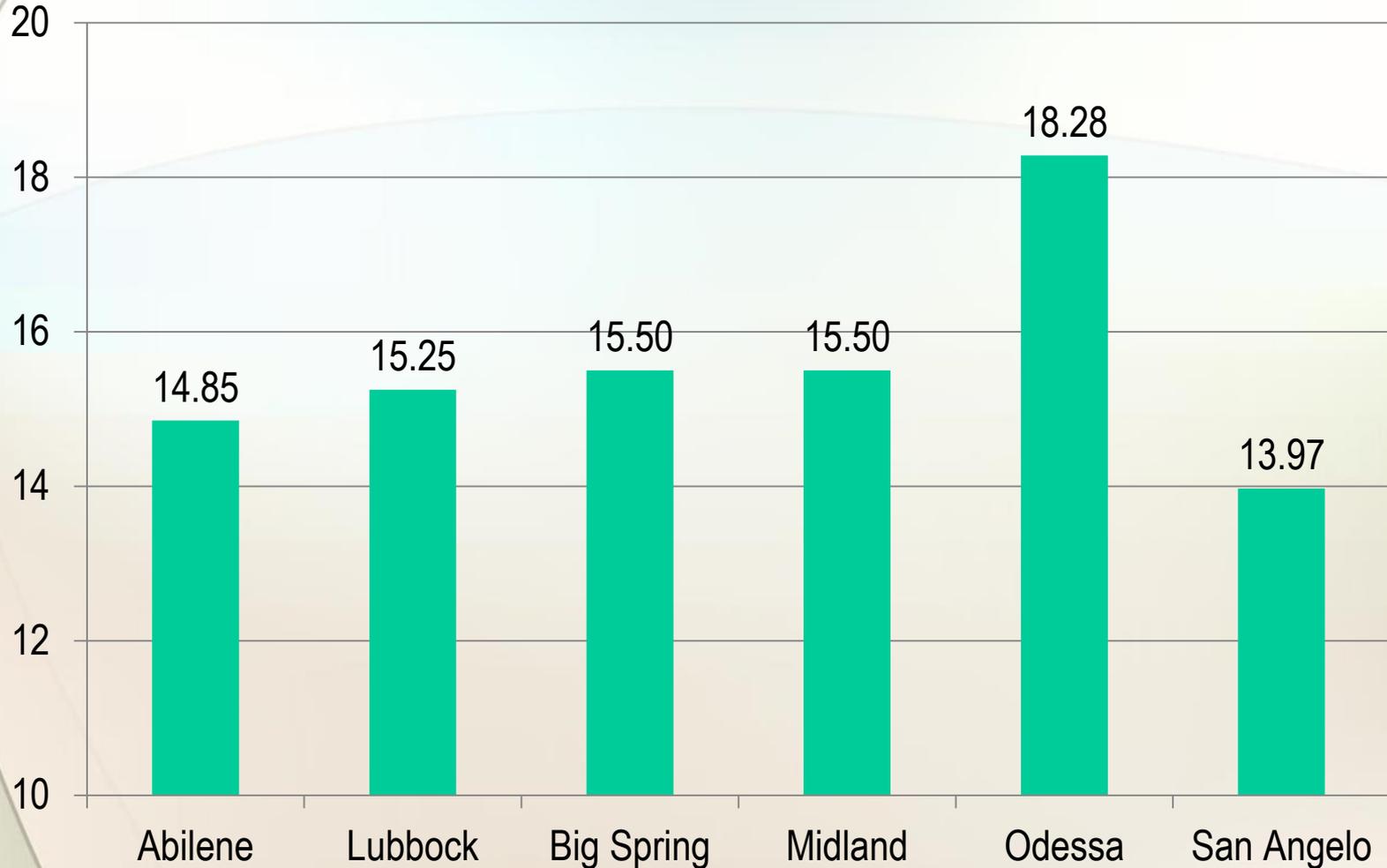
<u>Collection Services</u>	<u>Rates</u>
1x Week Garbage & 1x Week Recycling 4x Year Bulk Pickup	\$13.97
Additional Cart Fee	\$5.00 trash; \$1.25 recycling
Replacement Cart Fee	\$65.00 per cart
Out-of-Cycle Bulk Pickup	\$75 trip fee + \$25 per yard
Trip Fee for Carts (after initial delivery)	\$20.00

# Waste Collections -Rates-

- Billing for Residential Services will be Performed by the City
- \$.50 may be Added to Rate if Recyclables Collected do not Exceed 500 tons per Month for the Prior Year
- Billing Rates will Adjust Annually by 2.9%
  - contingent upon Gulf Coast Average for Diesel remaining under \$4.00

# Waste Collections -Rate Comparisons-

West Texas Residential Trash Rate Comparison



# Waste Collections -Rate Comparisons-

	Current Rates	New Rates
Services	2x Week Trash Collection	1x Week Trash, 1x Week Recycling, 4x Year Bulk
Base Rate	9.01	13.47
Recycling Rate	Not Available	Included
Bulk Pickup Rate	Not Available	.50
Fuel Adjustment Fee	.56	Included
Environmental Fee	.30	Included
State Landfill Surcharge	.50	Included
Tax	.85	1.15
<b>Total Monthly Bill</b>	<b>11.22</b>	<b>15.12</b>

# Waste Collections

## - Non-Residential Services –

Contractor will Provide Solid Waste Services to Non-Residential Customers

- Includes Commercial and Industrial Businesses, and Multi-Family Residential Complexes
- All Non-Residential Solid Waste Collections will be Exclusive except Recycling
- Recycling will be Optional for Non-Residential Customers
- Method: 96 Gallon Carts; 2, 3, 4, 6, 8 Yard Dumpsters; 20, 30, 40 Yard Roll-Offs; Compactors
- Frequency: A Minimum of 1 Time per Week for Bins and Carts; On Demand for Roll-Offs

# Waste Collections

## - Non-Residential Rates -

- Rates were Negotiated for Solid Waste Collections
- Contractor will Establish, Maintain, and Bill Non-Residential Accounts
- Customers will Only be Billed the Base Rate + Contract Fee + Taxes
  - Additional charges will be applied to delinquent accounts, hindered collections, container movements, and extra pickups

# Waste Collections - Non-Residential Rates -

## Negotiated Non-Residential Trash Collections Pricing

<u>Container Size</u>	<u>1x per Week</u>	<u>2x per Week</u>	<u>3x per Week</u>	<u>4x per Week</u>	<u>5x per Week</u>	<u>6x per week</u>	<u>Extra Pickup</u>
96 g Cart	\$23.00	\$46.00	\$69.00		Extra Cart = \$17.00 per		\$15.00
2 CY	\$73.00	\$120.00	\$152.75	\$187.00	\$217.00	\$253.00	\$22.50
3 CY	\$95.00	\$149.75	\$199.13	\$251.25	\$297.75	\$341.25	\$29.50
4 CY	\$117.00	\$179.50	\$245.50	\$315.50	\$378.50	\$429.50	\$36.00
6 CY	\$146.25	\$247.50	\$337.50	\$443.00	\$538.25	\$631.25	\$45.00
8 CY	\$175.50	\$315.50	\$429.50	\$570.50	\$698.00	\$832.75	\$55.00

# Waste Collections - Non-Residential Rates -

## Negotiated Non-Residential Roll-Off Pricing

<u>Container Size</u>	<u>Haul Rate</u>	<u>Delivery</u>	<u>Disposal</u>	<u>Daily Rental</u>	<u>Installation &amp; Maintenance</u>
20 CY	\$175.00	\$75.00	Current Gate Rate	\$3.00	----
30 CY	\$175.00	\$75.00	Current Gate Rate	\$3.00	----
40 CY	\$175.00	\$75.00	Current Gate Rate	\$3.00	----
Compactor	\$225.00	\$75.00	Current Gate Rate	Negotiated b/t Parties	Negotiated b/t parties

# Waste Collections

## - Non-Residential Rates -

### Negotiated Non-Residential Container Movement Rates

<u>Type of Movement</u>	<u>Rate</u>
Container Delivery	\$50.00
Container Swap / Exchange	\$75.00
Container Removal	\$50.00
Container Relocate	\$50.00
Roll-Off Dry Run	\$75.00
Container Lock Bar Installation	\$75.00

# Waste Collections

## - Performance Measures -

- City will Continually Monitor the Performance under the Special Contract
  - Designating a full time Contract Manager to monitor waste services
- Special Contract Includes Liquidated Damages for Non-Performance

# Waste Collections

## -Liquidated Damages-

• Missed Collection	\$25
• Missed Residential Block	\$250
• Operating Outside of Approved Hours (per truck)	\$100
• Failure to Respond to Spilled Litter w/in 2 Hours	\$250

# Waste Collections

## -Liquidated Damages-

- |  |        |
|--|--------|
| • Failure to Maintain Vehicles                   | \$100  |
| • Failure to Respond to Complaints in 1 Bus. Day | \$100  |
| • Failure to Submit Monthly Reports              | \$100  |
| • Commingling Materials                          | \$1000 |
| • Temp Roll-Off Cust. Service Performance        | \$175  |

\*\*credited to customer

# Waste Collections

## -City Benefit -

- Approximately \$500,000 in Annual Revenue
- Increased Levels of Service
  - Bulk Collections
  - Recycling Services
- Increased Contract Requirements with Liquidated Damages

# Landfill

Topics of Negotiation included:

1. Term or Length of Contract
2. Services to be Provided
3. Rates for Services

# Landfill - Term -

- Contractor will Lease and Operate the Landfill
- Negotiated Length of Lease
  - Life-of-Site
  - Correlates to Approximately 18 Years

# Landfill

## - Services -

- Exclusive Operation of the Landfill
  - Landfill Operations
    - Landfilling
    - Cell Construction
    - Engineering
    - Monitoring – groundwater, methane gas
    - Reporting – Local, State, Federal
    - Closure and Post Closure Processes

# Landfill - Services -

- Liquid Waste Disposal
- Operation of Citizens Convenience Center
- Diversion Practices
- Mulching Operations

# Landfill - Rates -

- Rates are Split into 3 Categories
  - **Municipal Rates** – Inside the City Limits
  - **County Rates** – Outside the City Limits but Inside Tom Green County
  - **Area Rates** – Outside Tom Green County

# Landfill - Rates -

Rates Include All State and Federal Fees and Proprietary Charges  
Excluding Tax

- Municipal Tipping Fee\*\* \$ 35.50
- County Tipping Fee\*\* \$ 38.00
- Area Tipping Fee\*\* \$ 40.50
  
- Other Rates:
  - Class II Special Waste
  - Asbestos
  - White Goods / Appliances
  - Untarped / Unsecured Loads
  - Liquids
  - Animal Waste
  - Tires

\*\*Rates Adjust Annually by 2.75%

# Landfill

## - Additional Terms -

- Performance Requirements and Liquidated Damages for Non-Performance
- Citizens Convenience Center
- Free Mulch Available to the Citizens Located at Citizen's Convenience Center
- Citizen's Free Dumping Program
  - allows residents 1 free dump per month
  - no cost to City if below 6,000 tons annually

# Landfill

## - City Benefit -

- Past Liabilities for Groundwater Contamination will Transfer from City to Republic
- Replacement of Post-Closure Obligation with Trust held in City's Name
- Reduced Cost of Management to the City
  - Consultant Expenses
  - Monitoring and Testing Expenses
  - Reporting Expenses
  - Construction Expenses
- Agreement includes Liquidated Damages for Non-Performance

# Landfill

## -Liquidated Damages-

• Adherence to Cell Construction Requirements	\$1000
• Staffing of Citizen Convenience Center	\$250
• Adherence to Daily and Intermediate Cover Requirements	\$1000
• Drainage and Ponding Issues	\$100
• Maintenance of Equipment in Operable Manner	\$500
• Maximum Turn-Around Time for Vehicles	\$100
• Failure to Control or Clean Up Litter	\$250

# Landfill

## -Liquidated Damages-

• Failure to Divert Recyclables	\$250
• Failure to Submit Reports	\$50
• Failure to Turn over Records upon Term	\$75,000
• Receipt of Notices of Violation from TCEQ	\$500 / \$1000
• Failure to Respond to Customer Complaints	\$50 - \$250
• Failure to Achieve Minimum Density	Curr. Host Fee / ton
• Overuse of Cover Soil (per cubic yard)	\$5.00

# Landfill

## - City Benefit -

• Initial Lump Sum Payment	\$ 3,600,000
• Cell 11A Airspace Purchase	\$ 1,305,000
• Gas Field Collection Debt Payments	\$ 670,000
*spread over 2 years	
• Initial Closure & Post Closure Trust Pmt	\$ 4,735,000
• Approximate Annual Trust Payment	\$ 184,000
• Annual Leasing Payment *	\$ 573,000
• Approximate Annual Tipping Fee Payments **	\$ 327,000
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Total Annual Revenue	\$ 900,000

\*Adjusts Annually by the \$3,230

\*\*Adjusts Annually by 2.75%