



Solid Waste Franchise Agreement

CITY COUNCIL MEETING
AUGUST 29, 2017

Gloria Hurtado
Deputy City Manager

BACKGROUND

- Franchise Agreement with North Bay Corporation since 2003 for collection of solid waste, organic waste and recyclable materials
- Current agreement expires on December 31, 2017

BACKGROUND

- The City established a framework to guide the RFP process
- Input from:
 - Public meeting feedback
 - General City Council guidance
 - Input from City staff
 - Professional expertise from R3 Consulting Group

BACKGROUND

- RFP goals include:
 - Quality service for the City's residents and businesses;
- Increase diversion and reduce disposal using innovative techniques;
- Implement various diversion and sustainability programs to achieve our diversion goal;

BACKGROUND

- Provide public education and outreach programs to further support City's diversion goals;
- Continually staff a Diversion Manager to oversee diversion goals;

SELECTION PROCESS

- October 20, 2016 – City issued a request for proposals (RFP 16-79) for collection service providers to commence January 1, 2018
- January 30, 2017 – RFP closed and five proposals were received

SELECTION PROCESS

- Proposals were evaluated based on the following criteria:
 - Qualifications
 - Financial Ability
 - Technical Approach
 - Diversion Programs
 - Education and Outreach Programs
 - Service Recipient Rates
 - Reference Checks

REVIEW PANEL

- February 1, 2017 – Review panel assembled for RFP examination and analysis
- March 16, 2017 – Interviews conducted with four proposers

REVIEW PANEL

- April 19, 2017 – Interviews conducted with two proposers
- Contract Negotiations
 - June 12, 2017
 - June 21, 2017

AGREEMENT

10

- The new Franchise Agreement includes:
 - New Vehicle Fleet and Collection Equipment
 - Superior Customer Service
 - Specialized Website
 - Extensive Public Education and Outreach
 - Diversion Rates Improvement Timeline and Implementation Strategy

AGREEMENT

11

- Exclusive right to provide City's waste collection services for a fifteen (15) year term
- 14% Franchise Fee payable to City
- New rates reflect market cost to provide solid waste collection services that ensure quality, compliance and superior customer service

Sharing the Waste Zero Message

12



RECYCLING: CLEAN & DRY ITEMS ONLY

Paper & Cardboard
Glass Bottles & Jars
Plastic Containers

Metal
(Limit 2ft. x 2ft. x 2ft.)

recologycleanscapes.com 206.763.4444

COMPOST
ABONO | 堆肥

Recology
CLEAN SCAPES
WASTE MANAGEMENT
2000 1st Ave. S.W.
Burien, WA 98148-3100
Phone: 206.763.4444
www.recology.com

GARBAGE
BASURA | 垃圾

Recology
CLEAN SCAPES
WASTE MANAGEMENT
2000 1st Ave. S.W.
Burien, WA 98148-3100
Phone: 206.763.4444
www.recology.com

RECYCLE
RECYCLE | 回收

Recology
CLEAN SCAPES
WASTE MANAGEMENT
2000 1st Ave. S.W.
Burien, WA 98148-3100
Phone: 206.763.4444
www.recology.com

Improved Processing Facility

13



New Equipment

14

New trucks and carts/containers by May 31, 2018



Cost Drivers 2003 to 2018

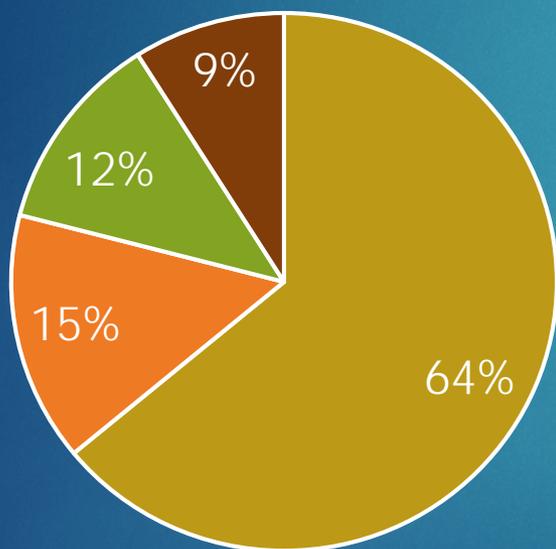
15

- ▶ ~55% increase in collection costs (esp. trucks and equipment)
- ▶ ~80% increase in garbage tipping rate (incl. County & SCWMA Fees)
- ▶ ~120% increase in green waste/compost tipping rates (incl. County & SCWMA Fees)
- ▶ Costs have outpaced CPI (~35% increase 2003 to 2016)

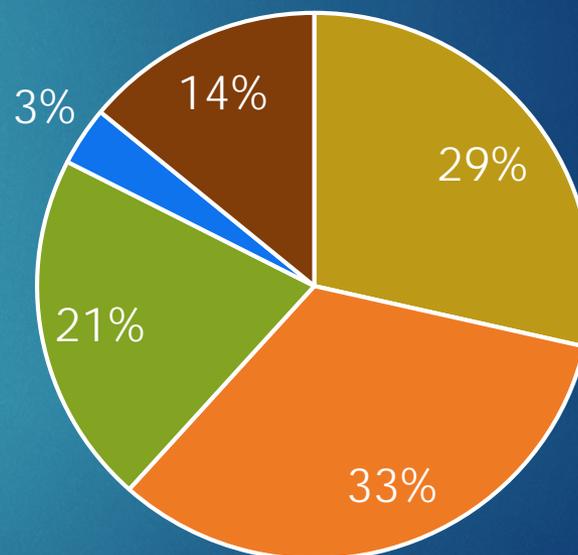
RATES:

64-Gallon Residential

2003 Customer Rate Breakdown
\$11.83/Month Total Cost



2018 Customer Rate Breakdown
\$41.11/Month Total Cost



- Collection Element
- Disposal Element
- Organic Waste Processing Element
- Recyclable Material Processing Element
- Franchise Fee Element*

* Franchise Fee is set at 14% in 2018

FINANCIAL IMPACT

17

Table 1
Current vs. Proposed Residential Rate Comparison

Cart Size	20 Gallon	32 Gallon	64 Gallon	96 Gallon
Regional Average (excluding Sonoma County rates)	\$25.78	\$29.09	\$50.11	\$71.35
Santa Rosa <u>Current</u> Rate	\$14.72	\$16.97	\$25.95	\$41.12
% Difference from Average	- 43%	-42%	-48%	-42%
Santa Rosa <u>Proposed</u> Rate	\$23.56	\$27.05	\$41.11	\$64.77
% Difference from Average	-9%	-7%	-18%	-9%

FINANCIAL IMPACT

Table 2
Current vs. Proposed Commercial Cart Rate Comparison

Cart Size	32 Gallon	64 Gallon	96 Gallon
Regional Average (excluding Sonoma County rates)	\$34.24	\$62.63	\$85.90
Santa Rosa <u>Current</u> Rate	N/A	\$33.05	\$38.81
% Difference from Average	N/A	-47%	-55%
Santa Rosa <u>Proposed</u> Rate	\$41.64	\$83.29	\$125.07
% Difference from Average	22%	33%	46%

FINANCIAL IMPACT

Table 3
Current vs. Proposed Commercial Bin Rate Comparison

Bin Size and Collection Frequency	1-Yard		3-Yard	
	1/week	3/week	1/week	3/week
Regional Average (excluding Sonoma County rates)	\$167.00	\$523.37	\$409.60	\$1,179.67
Santa Rosa <u>Current</u> Rate	N/A	N/A	\$334.85	\$832.23
% Difference from Average	n/a	n/a	-18%	-30%
Santa Rosa <u>Proposed</u> Rate	\$268.26	\$560.24	\$519.63	\$1,286.66
% Difference from Average	60%	7%	27%	9%

RECOMMENDATION

20

It is recommended by the City Manager's Office that the City Council, by Resolution, approve the Solid Waste Collection Services Agreement between the City of Santa Rosa and Recology.

QUESTIONS?

21

