



# Solid Waste Franchise Agreement

CITY COUNCIL MEETING  
AUGUST 29, 2017

Gloria Hurtado  
Deputy City Manager



# BACKGROUND

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- 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

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- 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

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- 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

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



# SELECTION PROCESS

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- 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

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- 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

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



# REVIEW PANEL

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



# AGREEMENT

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- 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

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- 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

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**RECYCLING: CLEAN & DRY ITEMS ONLY**

**Paper & Cardboard**  
Newspapers, magazines, cardboard boxes, paper bags.

**Glass Bottles & Jars**  
Beer bottles, wine bottles, soda bottles, jars.

**Metal**  
(Limit 2ft. x 2ft. x 2ft.)  
Cans, pots, pans, metal containers.

**Plastic Containers**  
Plastic bottles, jugs, tubs, containers.

recologycleanscapes.com 206.763.4444

**COMPOST**  
ABONO | 堆肥

Food scraps, yard waste, compostable materials.

Recology CleanScapes logo and contact information.

**GARBAGE**  
BASURA | 垃圾

Non-recyclable waste, hazardous materials, electronics.

Recology CleanScapes logo and contact information.

**RECYCLE**  
RECICLE | 回收

Recyclable materials, clean and dry items.

Recology CleanScapes logo and contact information.



# Improved Processing Facility

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# New Equipment

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New trucks and carts/containers by May 31, 2018





# Cost Drivers 2003 to 2018

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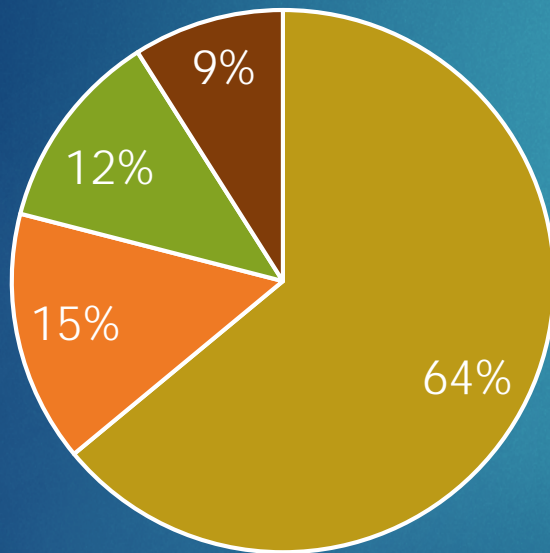
- ▶ ~55% increase in collection costs (esp. trucks and equipment)
- ▶ ~80% increase in garbage tipping rate (incl. County & SCWMA Fees)
- ▶ ~120% increase in green waste/compost tipping rates (incl. County & SCWMA Fees)
- ▶ Costs have outpaced CPI (~35% increase 2003 to 2016)



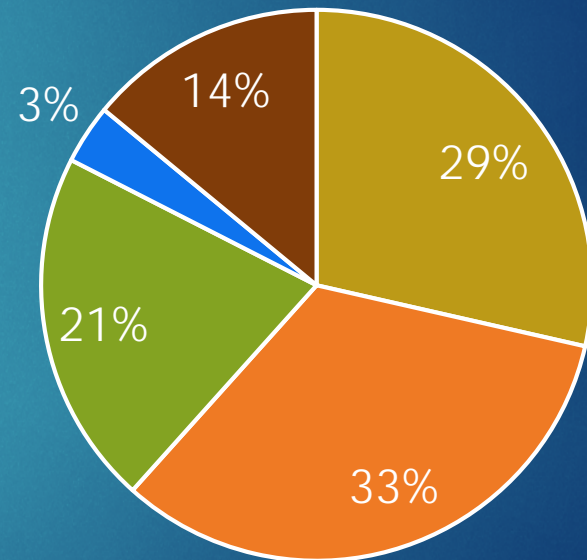
# RATES:

## 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

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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

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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

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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

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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?

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