

TOWN COUNCIL

STAFF REPORT

Public Services Department



MEETING DATE:	September 12, 2023
PROJECT:	Consideration of Proposed Contractual Amendment with Waste Management
PROJECT MANAGER:	Derrick Coaxum, Director of Public Services

RECOMMENDATION: Staff recommends that Town Council authorize the Town Manager to execute a contract amendment to Contract 2020-44 with Waste Management. The requested change was precipitated by a change in market conditions for recycled materials.

BACKGROUND/DISCUSSION: On May 12, 2020, Bluffton Town Council approved a competitively bid contract with Waste Management of Georgia, Inc. for curbside pickup of municipal solid waste (MSW) and recycling for a five year term effective July 1, 2020. Terms of that contract included the cost of \$6.00 per residential unit for MSW and \$4.50 per residential unit for recycling with an annual escalation tied to the Consumer Price Index for Water, Sewer and Trash with a cap of 2.75% annually.

The contract also contained a provision whereby program recyclables would be taken to a third party facility for sorting and otherwise preparing them for sale. Should an event occur that the costs for transport and/or the processing of recycling increase substantially beyond the specified contract escalation, Waste Management would notify the Town and a mutually beneficial solution would be negotiated by the parties and changes to the contract done in writing.

Prior to the June 1 annual renewal, Waste Management informed the Town that the local third party sorting and processing facility would be closing due to the decreased market demand for recyclables generally and due to the increased costs to process. A suitable facility had been located in Charleston, SC which would lead to an increase in both travel and processing costs.

CURRENT STATUS: The Waste Management contract begin its third year of a five-year term on July 1, 2023. Escalation had been 2.75% each year, resulting in a current recycling rate of \$4.88 per residential unit. With the changes in market circumstances, Waste Management proposes an additional \$2.57 per residential unit which would bring the household total for recycling and MSW pick up to \$13.96 per residential unit.

NEXT STEPS: Authorizing the Town Manager to sign the contract amendment with Waste Management for the increased costs effective as of a date to be agreed upon in September.

ATTACHMENTS:

1. Amendment 1 to Contract 2020-44
2. Resolution
3. Motion