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## City Council Regular Meeting

**DEPARTMENT:** Public Works

**FROM:** Eric Oscarson, Director of Public Works

**MEETING:** May 1, 2023

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**SUBJECT:**

Consider approval of an ordinance granting a franchise to Waste Connections Lone Star, Inc. for residential solid waste and recycling collection services in the City, authorizing an amendment to an existing solid waste franchise agreement with Waste Connections Lone Star, Inc. by amending the renewal date and extending the term five years pursuant to renewal terms under the current contract in the amount of \$23,731,155.34, and finding that this ordinance may be considered and approved at only one meeting of the City Council. *(First and Final Reading)*  
*(Staff Presenter - Eric Oscarson, Director of Public Works)*

**SUMMARY:**

The City of Burleson currently has a contract with Waste Connections Long Star, Inc. for solid waste and recycling collection services. The contract was approved in 2019 for a (5) Five Year term with the option to renew in (5) Five Year Terms. Due to the nature of the industry, lead time on new solid waste contracts is 18-24 months. The process includes bidding the contract, the purchase of new solid waste trucks, and a transition plan. A decision to renew the contract must be made now due to the long lead time.

In a survey completed by the Customer Services Department in 2022, Solid Waste Services had a 92% overall Satisfaction rating. Staff has a good relationship with Waste Connections and citizens are happy with the current service they are receiving. Staff would like to renew the current contract with Waste Connections.

The contract allows a price increase to be considered by the City no more than once per year for a proposed base rate adjustment to be effective in the month of October. Service Provider must receive approval from the City for such Base Rate increases, which approval shall not be unreasonably withheld. The overall cost of the contract will be based on the yearly CPI increases. For the terms of this renewal, we assumed Years 1 & 2 with a 2% growth rate and a 6% CPI increase rate. In Years 3, 4, & 5 we assumed a 2% growth rate and a 5% CPI increase rate. The final year of the renewal will be 18 months to align the contract to our Fiscal Year.

	Solid Waste	Environmental	Total
Year 1	\$ 3,064,752.72	\$ 527,149.08	\$ 3,591,901.80
Year 2	\$ 3,309,932.94	\$ 569,321.01	\$ 3,879,253.94
Year 3	\$ 3,541,628.24	\$ 609,173.48	\$ 4,150,801.72
Year 4	\$ 3,789,542.22	\$ 651,815.62	\$ 4,441,357.84
Year 5*	\$ 6,224,133.62	\$ 1,443,706.42	\$ 7,667,840.04
	\$ 19,929,989.74	\$ 3,801,165.60	\$ 23,731,155.34

Generally, ordinances considered by City Council must be approved at two separate meetings; however, Section 2-4 of the Code of Ordinances lists certain types ordinances that the City Council may approve at only one meeting. That section of the Code of Ordinance specifies that ordinances concerning a franchise may be approved at only one meeting. Since the proposed ordinance concerns the City's solid waste franchise, it may be considered at only one meeting.

**OPTIONS:**

1. Approve an ordinance granting a franchise to Waste Connections Lone Star, Inc. for residential solid waste and recycling collection services in the City and authorizing an amendment to an existing solid waste franchise agreement with Waste Connections Lone Star, Inc. by amending the renewal date and extending the term five years pursuant to renewal terms under the current contract in the amount of \$23,731,155.34.
2. Deny an ordinance granting a franchise to Waste Connections Lone Star, Inc. for residential solid waste and recycling collection services in the City and authorizing an amendment to an existing solid waste franchise agreement with Waste Connections Lone Star, Inc. by amending the renewal date and extending the term five years pursuant to renewal terms under the current contract in the amount of \$23,731,155.34.

**RECOMMENDATION:**

Approve an ordinance granting a franchise to Waste Connections Lone Star, Inc. for residential solid waste and recycling collection services in the City and authorizing an amendment to an existing solid waste franchise agreement with Waste Connections Lone Star, Inc. by amending the renewal date and extending the term five years pursuant to renewal terms under the current contract in the amount of \$23,731,155.34.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

None.

**STAFF CONTACT:**

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