



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
September 1, 2022

AGENDA TOPIC: Consideration and possible action approving the first reading of an Ordinance approving the first amendment to the City’s exclusive franchise agreement with Republic Services for the collection, hauling, and disposal of residential garbage and refuse waste in the City of Fair Oaks Ranch

DATE: September 1, 2022

DEPARTMENT: Administration

PRESENTED BY: Tobin E. Maples, ACIP, City Manager

INTRODUCTION/BACKGROUND:

The city’s exclusive franchise agreement (**Exhibit B**) with Republic Services for the collection, hauling, and disposal of residential garbage and refuse waste is programmed to expire on September 30, 2022. At the June 2, 2022, Regular Business meeting, Council instructed staff to move forward with exercising the city’s option to renew the agreement with Republic Services, inclusive of negotiating enhancements where possible.

The purpose of this agenda item is to consider approval of the first amendment to said exclusive franchise agreement. Because a franchise is adopted by ordinance it may only be amended or extended by ordinance. Because the exiting agreement is being modified as opposed to simply renewed, an amendment is required. **Exhibit A1** of the attached ordinance (**Exhibit A**) details negotiated amendments to the existing the agreement (strikethrough/underlined).

Primary elements of the first amendment are as follows:

- Provides for a 2-year renewal expiring on September 30, 2024, and seamless continued service.
- Continued utilization of the trailing twelve (12) month average Consumer Price Index (CPI) to establishing annual base service rates. The following table provides a historical perspective of base rate adjustments over the previous 5-year contract period.

Fiscal Year	Eligible Monthly Service Rate	Adopted Monthly Service Rate
October 2017		\$20.05
October 2018	\$20.69	\$20.05
October 2019	\$21.45	\$20.65
October 2020	\$22.08	\$21.25
October 2021	\$22.72	\$21.87
October 2022	\$23.86	\$22.96 *

*New base rate starting October 1, 2022

- Clarifies that all bulk and brush items shall be placed into one collection pile.
- Adds a definition for city spoils and prescribes for their collection.

- Clarifies that the city will be responsible for advance notices (mailers) regarding customer procedures for the annual brush and bulk events. The contractor will reimburse the city for all cost.
- Increases the contractor's annual contribution toward the Household Hazardous Waste collection event from \$20 k to \$25 k.
- Increases the franchise fee from 3% to 5%.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

N/A as service cost is paid by customers.

LEGAL ANALYSIS:

Approved as to form

RECOMMENDATION/PROPOSED MOTION:

I move to approve the first reading of an Ordinance approving the first amendment to the city's exclusive franchise agreement with Republic Services for the collection, hauling, and disposal of residential garbage and refuse waste.