



CITY OF
FORESTPARK

City Council Agenda Item

Subject: Council Discussion and Approval of Waste Pro Contract– Public Works

Submitted By: Bobby Jinks

Date Submitted: May 25, 2022

Work Session Date: June 6, 2022

Council Meeting Date: June 6, 2022

Background/History:

Waste Pro was the top ranked bidder in the City's recent Request for Proposals for solid waste collection and disposal. Over the past several weeks, City Staff has been negotiating final terms of the contract. The final negotiated contract is attached. Among the key provisions are the following:

1. With the exception of recycling, the waste collection requirements are substantially similar to the services provided under our existing contract with Waste Management.
2. Waste Pro will be responsible for establishing an education program informing residents and businesses of all of the services to be provided under the contract.
3. There will still be four Clean Sweep events each year for residents .
4. Elderly and disabled residents will still be provided back door pick up if requested.
5. Waste Pro will be required to establish a dedicated customer service call center to receive complaints from customers. Complaint information, including efforts to resolve such complaints, must be shared with the City.
6. A key improvement from the existing contract is the introduction of liquidated damages. Section 6 establishes set fines for certain failures of Waste Pro to meet the service standards expected of it. The fines increase if the violations continue. For example, if Waste Pro fails to collect at a residence and does not correct the problem by the next business day, \$150 is deducted from the City's bill for that month. The amount increases for each occurrence to \$300 if the failures continue per the terms of the contract.
7. A significant difference from the existing contract is that recycling services are no longer provided. There are a number of reasons for this: (a) the cost per ton for recycling is significantly higher than the cost per ton of regular waste; (b) the City's experience with recycling has been poor given the amount of

contamination in the recycling bins resulting in the majority of what was meant for recycling being rejected and sent to the regular solid waste stream; and (c) the current market for recycling has made it cost-ineffective. A significant number of neighboring jurisdictions have also eliminated recycling. Until the market changes, the costs of recycling outweigh the benefits.

Staff believes this contract to be a significant improvement over our existing arrangement with Waste Management.

Cost: VARIABLE

Budgeted for: X Yes No

Financial Impact:

The pricing model under the new contract contains is different from our existing contract with Waste Management. For residential services, the contract amount has a fixed component and a variable component. The fixed component is a monthly per residence price of **\$17.81**. The variable component is a price of **\$49.72** per ton collected each month. There is no cost component for recycling any more. (In the previous contract with Waste Management, the City paid a flat per residence fee regardless of the amount of solid waste actually collected.) We believe this approach to be more equitable for the City because going forward, after fixed costs are paid, we will only be responsible for the actual amount of waste generated in the City.

The fees for commercial waste are set forth on Exhibit B. They represent significant increases over our existing rates. However, given the rise in labor rates and fuel costs over the past two years, increases were anticipated. These costs should be passed through to the commercial customers.

Action Requested from Council:

Approval