



**TO:** FRUITA CITY COUNCIL AND MAYOR

**FROM:** SHANNON VASSEN, ASSISTANT CITY MANAGER

**DATE:** JANUARY 16, 2024

**AGENDA TEXT:** TRASH COLLECTION SERVICES CONTRACT – A Request to Approve the First Amendment to the Contract between the City of Fruita and Waste Management for Trash and Recycling Services and Authorizing the Mayor to Execute and Sign the Amendment.

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## **BACKGROUND**

In 2019, the City of Fruita administered a formal Requests for Proposals (“RFP”) process for Trash and Recycling services for Fruita. The City received two responses to that RFP and after evaluating those responses, awarded a contract to Waste Management. While a number of factors were considered when awarding the contract, at the time, Waste Management received the award because the costs of the services to residents were 160% lower than the second bid and because of their experience with Fruita. The contract was awarded for a five-year period, with the option to renew for an additional two years, two separate times. Currently, the contract is set to expire at the end of this year, 2024. The contract includes providing unlimited trash collection services to Fruita residents, a 96-gallon container option, and dual-stream recycling.

Throughout the current contract, Waste Management has requested that the City of Fruita transition from unlimited (up to three, 32-gallon containers) trash collection services to automated services. Waste Management requested these changes to help with operational challenges and staff shortages. In 2022, Waste Management transitioned approximately 3,000 Fruita households to the new automated system and is now requesting moving all households to the service.

When Waste Management initially made this request, staff presented it to the City Council and discussed it at length at the April 2023 workshop. With the contract set to expire in 2024, and with Waste Management’s request to move Fruita to all automated services, the City Council requested that staff work with Waste Management on a contract extension with new terms to help residents with this transition. Throughout last year, staff negotiated with Waste Management on new terms of the amendment and presented these to the City Council in August.

Taking that all into consideration, this is a request to approve an amendment to the existing contract with the new terms. As has been discussed, highlights from the amendment include the following:

- **New Term** – this amendment extends the contract until the end of 2027, with additional options for renewal if the City Council is interested.

- **Single-Stream Recycling** - Waste Management will transition all Fruita households who participate in recycling to a single-stream recycling service through the use of a 96-gallon container (and for those that request it, a smaller 56-gallon container).
- **Automated Trash Collection Services** – All Fruita households will transition to the automated trash collection services through a 96-gallon (or smaller) container.
- **Leaf Drop Off Services** – Waste Management will pick up leaves in three separate weeks in November of each year for all customers, as long as they are bagged and placed alongside the trash and recycling.
- **Fees** – The fees charged to Fruita residents will be consolidated to two fees, the Weekly Curbside collection (originally the “unlimited” rate) and the Senior Rate. Additionally, residents can request another 96-gallon container for \$4 per month (down from \$7.70 per month in 2023). There are a few additional fees that are uncommon.
- **Roll-Out Period** – During the roll-out period of the automated trash services, Waste Management will implement an education and outreach campaign and provide notices to residences if they are in violation of the overage or contamination portion of the contract.

Additionally, Waste Management is providing a dumpster for additional trash collection at the beginning of each new year, as requested by the City Council. Included with this cover sheet is the original contract, and the draft amendment.

## **FISCAL IMPACT**

There is no fiscal impact associated with approving this amendment to the contract. As part of the original contract, any increases in rates are based upon the average of the Consumer Price Index for inflation each year and is subject to Council approval through the budget process each year. Further, the expenses are subject to Council approval each year through the appropriations process.

## **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

It is one of the goals of Fruita to provide excellent core services to residents, and staff believes that approving this amendment will continue to serve that goal. Trash and recycling collection services are one of the highest rated City services in each Community Survey. For example, in the 2021 Community Survey, 92% of Fruita residents expressed satisfaction with the overall quality of garbage collection. It is also a very cost-effective service, as most Fruita residents only pay \$17.70 per month for trash service.

## **OPTIONS AVAILABLE TO THE COUNCIL**

- Approve the first contract amendment between the City of Fruita and Waste Management for trash and recycling services and allow the Mayor to sign the amendment.
- Advise staff to amend the amendment and approve or not approve the amendment.

## **RECOMMENDATION**

It is the recommendation of staff that the Council by motion:

- **APPROVE THE FIRST AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF FRUITA AND WASTE MANAGEMENT FOR TRASH AND RECYCLING SERVICES AND AUTHORIZING THE MAYOR TO EXECUTE AND SIGN THE AMENDMENT.**