



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: July 7, 2021
SUBJECT: Town Solid Waste and Recycling Services
ACTION PROPOSED: Award Hauler for Solid Waste and Recycling RFP
ATTACHMENTS:
1. Republic Services Proposal
2. Waste Connections Proposal
3. Waste Management Proposal
PRESENTED BY: Ellen Hilbig, Deputy Director of Public Works

AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is an award request to enter into a Professional Services Agreement for Solid Waste and Recycling Services associated with the Town.

The Town currently contracts with the solid waste hauler, Waste Management, to collect and dispose of solid waste for approximately 5,300 residential customers, with recycling being an additional service managed directly by the Contractor. The primary trash can size offered to residents is 96-gallon, with Seniors being offered the option of a smaller 64-gallon at a slightly reduced rate. The current contract began almost 10 years ago on September 1, 2011 for a 5-year service term and was amended in 2016 for an additional 5-year service extension.

Since the current agreement expires in September 2021, the Town solicited an RFP to evaluate services provided to residents to include solid waste handling as well as the following:

1. Recycling with the option to opt out
2. Options for additional waste totes, dumpsters, and large item pick up
3. Curb side Christmas tree pick up
4. Yearly Spring Clean Up event

Staff advertised for RFP via Rocky Mountain E-purchasing and on June 8, 2021 received 3 proposals from the haulers; Republic Services, Waste Connections and Waste Management. Staff reviewed all three submittals and based on the information and references provided Waste Connections was identified to be the best fit for the Town. Waste Connections proposed rates for both Solid Waste and Recycling for a total of \$12.90 for 96-gallon and \$10.90 for 64-gallon. Comparatively Waste Management's proposed rates for Solid Waste were \$15.50 for 96-gallon and \$12.75 for 64-gallon and Republic Services proposed rates for Solid Waste and Recycling were \$19.80 for 96-gallon and \$16.50 for 64-gallon. Waste Connections will be required to work with Town Staff to be ready to transfer residential services by September 1, 2021.

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Along with the services noted above Staff would like to request the consideration of a flat rate fee to residents for the 5-year term of the Agreement to cover approximately \$38K of annual expenses associated with the Solid Waste Contract including electronic recycling, Spring Clean-Up, staff time to handle resident concerns and utility billing and Town facility trash pick-up. Per the stipulations outlined in the RFP, Waste Connections is allowed to increase rates up to 3% a year to account for inflation. The following tables are an example of a flat rate fee based on \$14.50 for 96-gallon and \$12.50 for 64-gallon over the 5-year term and shows the deescalating revenue per household to cover expenses with the max inflation for each service option.

96-gallon option:

Year	Rate with Inflation	Flat Rate	Revenue per Household per Month
Yr 1	\$12.90	\$14.50	\$1.60
Yr 2	\$13.29	\$14.50	\$1.21
Yr 3	\$13.69	\$14.50	\$0.81
Yr 4	\$14.10	\$14.50	\$0.40
Yr 5	\$14.52	\$14.50	\$(0.02)

64-gallon option:

Year	Rate with Inflation	Flat Rate	Revenue per Household per Month
Yr 1	\$10.90	\$12.50	\$1.60
Yr 2	\$11.23	\$12.50	\$1.27
Yr 3	\$11.56	\$12.50	\$0.94
Yr 4	\$11.91	\$12.50	\$0.59
Yr 5	\$12.27	\$12.50	\$0.23

Current rates for only Solid Waste services are \$11.81 for 96-gallon and \$8.68 for 64-gallon with approximately 5100 residents utilizing the 96-gallon and 200 residents utilizing the 64-gallon. With the selection of Waste Connections, the fee schedule will increase by \$1.09 for 96-gallon and \$2.22 for 64-gallon and require subsequent amendments to the fee schedule at the beginning of each year to account for inflation. With the flat rate example shown above which increases the service provided to add Recycling, rates will increase initially by \$2.69 for 96-gallon and \$3.82 for 64-gallon and will be locked in for the remainder of the 5-year term of the agreement.

LEGAL ADVICE:

Utilizing Town Professional Services Agreement

FINANCIAL ADVICE:

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The 2021 Budget includes \$720,000 for solid waste removal costs. If the Town expands service to include recycling services, the cost of solid waste removal and recycling will increase approximately \$72,100 for the first full year.

RECOMMENDED ACTION:

Approve selection of Waste Connections as the new solid waste and recycling hauler for the Town and consider a future fee schedule amendment of a flat rate to residents for the 5-year term of the Agreement.

SUGGESTED MOTIONS:

For Approval

I move to approve the Award of the Solid Waste and Recycling Services to Waste Connections and consider a future fee schedule amendment of a flat rate to residents for the 5-year term of the Agreement.

For Denial

I move that we deny the award, extend the current contract and solicit formal bids for 2022.

Reviewed and Approved for Presentation,



Town Manager

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