



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, December 10, 2024
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Award of Contract for the Pickup of Refuse at Various City Locations
Background Information:	<p>A request for proposals was sent in September from the four current licensed refuse haulers in the City of Marshall. Quotes were received on October 17th, 2024, for the removal of garbage and trash from numerous municipal locations within the City of Marshall. During the October 22nd meeting the Council were proponents of using a local contractor and voted to allow the current service provider, Southwest Sanitation, the opportunity to match or beat the low quote of \$12,990/year. The council had also suggested that as part of the negotiations with Southwest Sanitation that an increase in the term be looked at.</p> <p>Staff met with representatives of Southwest Sanitation and reached a tentative agreement. The proposed contract would be for a period of 5 years with the first two years being \$12,678, which is \$312 lower than the low quote that was presented on October 22nd. The following three years of the contract would be increases to cover landfill tip fee increases and other increased costs.</p> <p>Lyon County in 2023 increased tip fees 7% to \$42/ton and then another 7% to \$45/ton in 2024 with an additional 8% increase per year in 2025 and 2026. The increase in tip fee for 2027-2029 was anticipated to be 8%/year as well.</p> <p>Proposed contract payment amounts to Southwest Sanitation: 2025/2026: \$12,678 2027: \$13,400 2028: \$14,000 2029: \$14,700</p> <p>By the end of 2029 the proposed contract increases would still amount to be less than the \$15,180 that the city paid for in the 2023 and 2024 contract.</p>
Fiscal Impact:	Outlined under Exhibits A-C.
Alternative/Variations:	
Recommendations:	To award the 2025-2029 Garbage/Refuse Hauling contract to Southwest Sanitation of Marshall, MN.