

MEMORANDUM

DATE: May 2, 2025
TO: Melissa R. Marsh, City Manager
FROM: Sean P. Ballantine, Director of Public Services
SUBJECT: Bid Award – Solid Waste Collection and Disposal

On March 7, Invitation To Bid (ITB) MH-1075 was issued for the City's solid waste collection and disposal services. The bid was based on our existing solid waste contract, and requested status-quo services, with preferred alternates for a cart-only program, possible food scrap integration with the yard waste program, and any other innovative and cost-saving measures the prospective bidder wished to present. Bid documents were downloaded by 35 interested parties, and 4 prospective vendors attended the mandatory pre-bid meeting on March 17; Car Trucking, Priority Waste, Tringali Sanitation, and Waste Management.

The pre-bid meeting was held to determine if our bid specifications and timelines were reasonable and achievable. Besides questions relating generally to insurance and bid bond requirements, the only request was that the bid opening be extended one week to allow for more time to respond to the addenda, and properly prepare the bid documents. At no point through the process was the overall timeline for onboarding called into question.

On April 9, a sole bid was received from Priority Waste, as well as two official letters of no-bid from Tringali Sanitation and Waste Management. A post-bid clarification meeting was held with representatives from Priority on April 14 to address any concerns from Staff.

As part of this overall process, Staff held two special meetings of the Environmental Citizens Committee, also known as Trash Talks. These meetings were made open and advertised to all active members of a City board or commission, as well as the public at large. The first was to present information on the solid waste program generally; budget and funding mechanisms, the bid specifications and process, and the nature and terms of our existing solid waste contract. The second meeting was to review the bids, and solicit feedback regarding the options presented.

The bid specifications requested several options from the vendor, in order to evaluate cost and service levels to ensure the best finished product for the City. Priority's submittal addressed and provided these items.

City of Madison Heights
Department of Public Services
801 Ajax Drive
Madison Heights, Michigan 48071

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After extensive evaluation by Staff, with the guidance and feedback of Council and the unanimous decision of the residents who attended our Trash Talk discussions, we recommend that the City transition to a cart-only program, for several reasons. Cart-only is an industry best practice, due to labor cost and employee safety. This is reflected in the price, which offers an estimated savings of nearly \$200,000 in year one, when compared to the existing “cart plus” service. As the new contract reflects an estimated \$56,000 increase from current even with cart only, we feel that this cost differential is significant, particularly when considering that the solid waste millage is not meeting current needs, and has to be subsidized by the general fund. Cart-only is cleaner, better organized, reduces rodents and litter, it is in many cases easier to move a cart than picking up a heavy trash can or recycling bin, and is an EGLE best practice for stormwater protection. Further, the timing could not be better, as the City will be rolling out Madison Heights-branded garbage and recycling carts to every home as part of a long-term City goal, based on resident feedback and request.

As this will be the most significant change to our refuse and recycling program since the implementation of curbside recycling over three decades ago, Staff will work with Priority to implement a robust universal education campaign, which is also included as part of their bid. There will also be a transition period, as the cart rollout is slated for September, while the new contract goes live July 1. Notable changes are that trash and recycling will need to be entirely contained in their respective carts. Weekly collection of bulk items (one per week) is still included, but due to more stringent regulations, residents are required to have the freon removed from refrigerators, air conditioners, and dehumidifiers. This service is widely available for a nominal fee. The yard waste program remains status-quo; cans up to 32 gallons, paper yard waste bags, and small bundles of tied brush. Staff also requested the option for an assistive service, for those residents who are bona-fide disabled and physically unable to remove their garbage to the curb. This will require proof of disability, to be provided to the City and will be renewed on an annual basis.

Based on the above, Staff therefore recommends that Council accept the bid from and award a five year contract to Priority Waste with option to extend, including Alternate Pricing Option Assisted Service, to be paid by the City, and Alternate Pricing Option A (Cart-Only), and C (DPS Roll-Off) and authorize the City Manager to negotiate and enter into a contract with Priority Waste pending legal review. This represents an estimated Year 1 cost of \$1,814,069.40, pending verification of the number of service units.

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