



WM
2749 Loop 336 East
Conroe, Texas 77301

May 29, 2024

City of Montgomery
c/o Gary Palmer, City Manager
PO Box 708
Montgomery, Texas 77356

Re: Proposed Options for Contract Extension of Current Municipal Solid Waste Collection and Transportation Agreement with Waste Management of Texas, Inc. (WM)

Dear Mr. Palmer and members of Council,

As a follow-up to our previous conversations, I would like to provide additional detail regarding WM's residential trash and recyclables collection service for the City of Montgomery.

WM appreciates the opportunity to be the chosen provider of residential trash and recyclables collection service for the City of Montgomery. Our WM team is proud to serve the citizens of Montgomery and considers itself an extension of the City's service infrastructure. Together, we have partnered to provide comprehensive solid waste collection services for the residents of Montgomery for over 17-years and have weathered significant and unforeseen challenges during our time together. With new challenges facing us every day, WM is as committed as ever to providing world-class customer service to the City of Montgomery

As you know, WM's current residential trash and recyclables collection agreement is scheduled to expire on July 31, 2024. With this letter, WM's is hopeful the City of Montgomery will consider the contract extension options listed below.

*Current Scope of Residential Collection Service: Once weekly cart collection for trash and recycling materials. In addition, once weekly collection of bulky waste/bundle collection. At Your Door Special Waste Collection (HHW), unlimited and on-call. Current residential rate for these services: \$23.75 per home per month.

Extension Option 1:

Continue Current Scope of Service (2-Year Extension, August 1, 2024, thru July 31, 2026):

- a. Year 1 (August 1, 2024) \$27.39 per home per month (15.3% fixed rate increase).
- b. Year 2 (August 1, 2025) Rate adjusted as provided for in current Agreement, per Section 9.01 entitled, CPI Adjustment and Section 9.02 entitled, Fuel Adjustment.



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Extension Options 2:

Continue Current Scope of Service (5-Year Extension, August 1, 2024, thru July 31, 2029):

- a. Year 1 (August 1, 2024) \$25.41 per home per month (7% fixed rate increase).
- b. Year 2 (August 1, 2025), \$27.19 per home per month (7% fixed rate increase).
- c. Years 3, 4 and 5 (August 1, 2026, 2027, and 2028), annual rate adjustments will be calculated as provided for in current Agreement, per Section 9.01 entitled, CPI Adjustment and Section 9.02 entitled, Fuel Adjustment.

Extension Option 3:

Proposed Scope of Residential Collection Service Change: Once weekly cart collection for trash and recycling materials. In addition, once monthly collection of bulky waste/bundle collection. At Your Door Special Waste Collection (HHW), unlimited and on-call.

(5-Year Extension, August 1, 2024, thru July 31, 2029):

- a. Year 1 (August 1, 2024) \$24.93 per home per month (5% fixed rate increase).
- b. Year 2, 3, 4 and 5, (August 1, 2025, 2026, 2027, and 2028) as provided by current Agreement, per Section 9.01 entitled, CPI Adjustment and 9.02 entitled, Fuel Adjustment.

WM appreciates the City of Montgomery's thoughtful consideration of this matter. If agreed to, WM could provide a draft of the appropriate contract amendment for the City's review and comment. As always, we are committed to providing best-in-class service to our customers and the communities we call home. Please feel free to contact me with any questions. I look forward to our meeting scheduled June 10, 2024 to discuss this proposal in more detail.

Respectfully,

A handwritten signature in brown ink that reads "Tiana Smith".

Tiana Smith
Public Sector Solutions Manager
Waste Management of Texas, Inc.
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Tsmith71@wm.com