



## Memorandum

January 14, 2025

To: Steve Giesbrecht, Borough Manager  
From: Chris Cotta, Public Works Director  
Re: Republic Services Contract Extension

The Borough's Municipal Solid Waste (MSW) Transport and Disposal Agreement with Republic Services was renewed in September 2023. The renewal was for a 2-year contract term, with an optional 1-year contract extension at the Borough's discretion. The two-year renewal period ends in September 2025 and if we want to extend for another year, we need to let Republic know by no later than February 1<sup>st</sup>, 2025. Value of the one-year contract extension is expected to be between \$425,000 and \$475,000 depending on waste volume actually collected and shipped out.

My recommendation is to extend the contract for one year, for the following reasons:

- If we do not extend, we will likely need to purchase our own fleet of containers for waste shipment (using Republic); or find an alternate waste services provider. Buying a fleet of containers is cost prohibitive and we need to avoid that option if possible. As for alternative shippers, the last time we sought alternatives for waste shipment and disposal, the only price we got was significantly higher than Republic quoted. By extending our contract now, we will lock in a rate of \$192.40/ton through Republic starting September 1<sup>st</sup> of 2025 and continuing through end of August 2026. This is still less than the \$195.87/ton that we were quoted by Waste Management back in 2023. Finding a lower price than Republic is offering via the proposed contract extension is unlikely.
- The Southeast Alaska Solid Waste Authority (SEASWA) is currently in the process of undertaking a large-scale study of solid waste management issues and potential solutions in Southeast Alaska. By the time our contract extension expires in 2026 we should have a much better understanding of possible alternatives for the region. This will give us more information with which to make an educated decision on what the best options for solid waste management and disposal will be for Petersburg once our Republic contract has fully run its course.

For reference, I have attached my 2023 contract renewal memo to the Manager along with a copy of the 2023 contract renewal/extension letter from Republic Services. If you agree with my recommendation for the one-year contract extension starting September 2025, please forward this issue to the Borough Assembly for consideration at their next regular meeting to be held on January 21<sup>st</sup>. I will be present at the meeting to answer any questions that you or the Assembly may have in regards to this issue. Thank you.

**Public Works Department**

PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4430 Fax (907) 772-4102

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