



FINANCE

To: Mayor and Town Council

From: Chris Landrum, Finance Director

Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager

Re: Solid Waste Services Contract Amendment

Town Council Meeting – May 28, 2024

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon authorizing the Town Manager to enter into a contract amendment with Republic Services adjusting the fees for Commercial recycling provided through 95-gallon carts and providing a discount to Homeowners Associations for 95-gallon trash service.

Description of Agenda Item:

The original solid waste services contract was awarded to Republic Services on June 27, 2023, for a seven-year initial term with three one-year renewals. The vast majority of commercial customers are served and billed directly by Republic. A small number, however, due to their location in older parts of town or because of site constraints utilize 95 gallons for trash or recycling or both. These carts are billed directly by the Town with revenue passed on to Republic Services.

During implementation, it was noted that some of these customers would have significant rate increases. To focus on the main implementation, Republic Services agreed to accept CWD's old rates for these customers until May 31, 2024. During the intervening period following the February 1st implementation, staff has converted the highest volume customers from carts to 4yd polycart containers and negotiated new rates for commercial recycling serviced through 95-gallon carts from \$24 per recycling cart to \$15 for the first cart and \$10 for any additional recycling carts. In addition, Republic Services has also offered a discount for HOAs for 95-gallon trash carts from the \$30 commercial rate to \$20.

Budget Impact:

These fees are passed through to Republic Services. Therefore, there is no budgetary impact affiliated with this item.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents

1. Contract Amendment No. 1

Town Staff Recommendation:

Staff recommends authorizing the Town Manager to enter into a contract amendment with Republic Services adjusting the fees for Commercial recycling provided through 95-gallon carts and providing a discount to Homeowners Associations for 95-gallon trash service.

Under the originally proposed rates, a few 95-gallon commercial customers were going to see monthly rate increases of up to \$350, with most substantially less. With the proposed contract amendment, some 95-gallon commercial customers will see a rate decrease and all will have rate increases well under \$100.

Proposed Motion:

I move to approve authorizing the Town Manager to enter into a contract amendment with Republic Services adjusting the fees for Commercial recycling provided through 95-gallon carts and providing a discount to Homeowners Associations for 95-gallon trash service