



Town Manager's Office

To: Mayor and Town Council

From: Robert Scott, Deputy Town Manager

Through: Mario Canizares, Town Manager

Re: Solid Waste Services Award

Town Council Meeting – June 27, 2023

Agenda Item:

Consider authorizing the Town Manager to enter into a contract with Republic Services including purchase and distribution of carts for the period February 1, 2024 ending January 31, 2031 with an option of three, one-year renewals, declaring an exclusive franchise in the Town for all solid waste services which include residential, commercial, industrial and construction disposal as allowed by state law and to provide for transition services by either its current provider, Republic or both in the intervening period until February 1, 2024. (RBS)

Description of Agenda Item:

With the current solid waste contract expiring January 31, 2024, solid waste consultant Burns & McDonnell was appointed in November 2022 to assist the Town with the writing of the Request for Proposal (RFP), drafting of the proposed contract and assisting with the initial evaluation of proposals. An RFP was released February 8, 2023, with a March 21st submission deadline. Six proposals were received with two determined to be non-responsive. The consultant evaluated all proposals and provided both analysis and follow-up questions.

The evaluation committee consisting of eight Town employees from various stakeholder departments each independently evaluated the proposals with scoring tabulated by the purchasing department with a clear consensus that Republic Services and its current provider CWD were the two top proposers.

The RFP had the following goals:

- Right fit solid waste services. Following a council input and conducting a citizen survey, basic residential services will remain the same. Household Hazardous Waste (HHW) will be converted from a once per year drop-off in Frisco to a once per year “at your door” pick up service.
- While keeping rates as close to current levels as possible, make solid waste rates self-supporting.
- Ensure quality and dependability of both commercial and residential service.
- Increase contract remedies for poor performance by increasing contract monitoring and contract compliance.

To accomplish these goals, the selection committee visited both provider's solid waste facilities including Material Recovery Facilities (MRF) for recycling, landfill for disposal and the maintenance and staging facilities for both finalists. Following the site visits, both finalists were provided a candid assessment of the weakest aspects of their proposals and were given an opportunity to address those weaknesses in the form of a Best and Final Offer (BAFO).

Budget Impact:

The rates proposed combined with additional fees retained by the Town for cart financing and administrative expenses will allow the Solid Waste fund to be self-supporting once transition is complete. The proposed rate effective February 1, 2024, is estimated to be \$18.55 per month for standard residential service. Average commercial and industrial rates will decrease under the new contract and commercial customers will no longer be charged per pick up fees for opening and closing dumpster enclosures. Transition services of up to \$200,000 to ensure a smooth transition to the new provider will be used as needed.

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. Proposed Contract
2. Republic BAFO offer

Staff Recommendation:

While price to both residential and commercial customers was an important consideration, other factors including resources pledged and the ability to negotiate a contract were also important. Following BAFO, total contract value/estimated cost to both residential and commercial customers was less than 1% different between the two proposers making other factors more important. Republic pledged eight Automated Side Loaders (ASL) to the contract and substantially agreed to liquidated damage provisions (penalties for non-performance) as proposed in the RFP. CWD proposed their current five ASLs and requested substantial changes that weakened the liquidated damage provisions. The additional resources proposed by Republic position them to respond to both rapid growth and unforeseen circumstances such as weather delays or equipment failures. For these reasons, staff recommends award to Republic Services.

Proposed Motion:

I move to approve authorizing the Town Manager to enter into a contract with Republic Waste Services for the period February 1, 2024 ending January 31, 2031 with an option of three one year renewals, declaring an exclusive franchise for all solid waste services in the Town for all solid waste services residential, commercial, industrial and construction disposal as allowed by state law and to provide for transition services by either its current provider or Republic in the intervening period until February 1, 2024.