



**BUSINESS OF THE CITY COUNCIL
CITY OF SNOQUALMIE**

**AB24-030
February 13, 2023
Discussion**

AGENDA BILL INFORMATION

| | | |
|-------------------------|---|---|
| TITLE: | AB24-030: Motion to Bid the 2025 Solid Waste Collection Contract | <input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution |
| PROPOSED ACTION: | Motion for Parks and Public Works Staff to prepare the Request for Bid package for the 2025 Solid Waste Collection Contract | |

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|----------------|---------------------|----------------|-------------------------------|
| REVIEW: | Department Director | Jeff Hamlin | 2/7/2024 |
| | Finance | n/a | Click or tap to enter a date. |
| | Legal | n/a | Click or tap to enter a date. |
| | City Administrator | Mike Chambless | Click or tap to enter a date. |

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|--------------------|---|---|--|
| DEPARTMENT: | Parks & Public Works | | |
| STAFF: | Patrick Fry, Project Engineer | | |
| COMMITTEE: | Parks & Public Works | COMMITTEE DATE: February 6, 2024 | |
| EXHIBITS: | 1. AB24-030x1 ("Status Quo Contract") 2. AB24-030x2 (Presentation) | | |

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|--------------------------------|--------|
| AMOUNT OF EXPENDITURE | \$ n/a |
| AMOUNT BUDGETED | \$ n/a |
| APPROPRIATION REQUESTED | \$ n/a |

SUMMARY

INTRODUCTION

The current Solid Waste Handling Contract with Waste Management (WM) was implemented in 2012 and is set to expire May 31st, 2025. After three, 2-year extensions, the contract cannot be extended again, and must be renegotiated with WM or the City must go through a procurement process to select a new hauler and generate a new contract. Snoqualmie Municipal Code limits new contracts to a maximum of 7 years.

Staff recommend pursuing the Request for Bid procurement method for the Solid Waste Collection contract, leading to a new 7-year contract beginning June 1st, 2025.

LEGISLATIVE HISTORY

The Comprehensive Garbage, Recyclables, and Compostables Collection Agreement with WM went into effect on June 1, 2012. The contract has been amended Four times on the following dates:

First Amendment: 5/16/2012

Second Amendment: 9/10/2012

Third Amendment: 6/11/2019

Fourth Amendment: 8/28/2023

BACKGROUND

The standard Request for Proposal (RFP) process for selecting a hauler is not tenable given the current contract expiration date of May 31st, 2025, roughly 14 months out. Due to protracted lead times on garbage trucks, a recommended 18-month mobilization period is now the industry standard. As such the City is pursuing alternative methods of procurement.

Two feasible options of procurement exist:

Option 1 - Request for Proposal (RFP): The first step is to sign a 1-year “status quo contract” with WM that has the same terms and conditions as the City’s current contract, but with updated rates that reflect the current market. The 1-year contract would provide the City ample time to go with the Request for Proposal (RFP) process and provide prospective bidders the requisite 18-month mobilization period. After negotiations with WM, a 52% rate increase for residential service was settled on for the 1 year “Status Quo Contract”. The rate for the 7-year contract that would begin June 1st, 2026 would not be known until sealed bids are opened in January of 2025.

Option 2 - Request for Bid (RFB): The second option is to issue a Request for Bid (RFB) for the waste collection contract, and award the 7-year contract to the lowest bidder. Qualifications would be pass/fail and could not be weighed in the decision of selection of the hauler. This method would lead to the new contract starting June 1, 2025 but would leave haulers with roughly 12-month mobilization period.

ANALYSIS

Option 1 would lead to an initial 52% residential rate increase, which while in-line with nearby jurisdictions, is a major cost increase to the citizens of Snoqualmie. However, Option 1 does provide more opportunity for industry review from prospective bidders and more time to acquire vehicles and equipment upgrades, thus typically leading to more interested bidders and associated competitive bids.

Option 2, may have the risk of some potential bidders not having the ability to provide the needed labor and equipment to support the Snoqualmie contract, typically leading to fewer bidders. However, due to softening market conditions, a more competitive environment exists currently. After discussions with the major service providers in the area, 3 out of the 4 potential bidders are

interested in bidding on the Snoqualmie waste collection contract, despite the shorter mobilization period. Based on discussions with our consultant, staff believes the bid prices will be similar for either option.

NEXT STEPS

Following Council approval, staff will complete the new 7-year draft contract. When the draft is complete, council will be provided approximately 1 month to review and comment on the contract terms. After council input, the contract will be put out to bid. Bid advertisement will be targeted for April 15th, with bids closing mid-May.

PROPOSED ACTION

Motion for Parks and Public Works staff to pursue the Request for Bid option for the June 1st, 2025 Solid Waste Collection Contract