



# BUSINESS OF THE CITY COUNCIL CITY OF SNOQUALMIE

**AB23-016**  
**February 27, 2023**  
**Committee Report**

## AGENDA BILL INFORMATION

<b>TITLE:</b>	AB23-016: Resolution No. XXXX Exercising the Option for a Third Two-Year Extension of the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement, and Providing for Severability and an Effective Date	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed:
<b>PROPOSED ACTION:</b>	Move to Approve Resolution No. XXXX Exercising the Option for a Third Two-Year Extension of the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement.	<input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution

<b>REVIEW:</b>	Department Director/Peer	Mike Chambless	2/15/2023
	Finance	n/a	Click or tap to enter a date.
	Legal	Bob Sterbank	2/15/2023
	City Administrator	Mike Sauerwein	2/15/2023

<b>DEPARTMENT:</b>	Parks & Public Works		
<b>STAFF:</b>	Bob Sterbank, City Attorney Mike Chambless, Parks and Public Works Director Carson Hornsby, Management Analyst		
<b>COMMITTEE:</b>	Parks & Public Works	<b>COMMITTEE DATE:</b> February 22, 2023	
<b>MEMBERS:</b>	Bryan Holloway	Jo Johnson	Ethan Benson
<b>EXHIBITS:</b>	1. Resolution No. XXXX 2. Bell & Associates Technical Memo 3. Original Waste Management Agreement 4. First Amendment 5. Second Amendment 6. Third Amendment 7. Resolution No. 1511 8. Resolution No. 1577 9. Extension Letter 10. Letter of Understanding		

<b>AMOUNT OF EXPENDITURE</b>	\$ n/a
<b>AMOUNT BUDGETED</b>	\$ n/a
<b>APPROPRIATION REQUESTED</b>	\$ n/a

## **SUMMARY**

### **INTRODUCTION**

The purpose of this agenda bill is to address the third and final two-year extension of the City's Comprehensive Garbage, Recyclables and Compostables Agreement with Waste Management (WM). The current extension term will end on May 31, 2023. Notice of the decision must be given by the City to WM at least 90 days prior to the expiration of the renewal term.

### **BACKGROUND**

The current garbage and recycling rates for City of Snoqualmie customers were established in 2012, through the Comprehensive Garbage, Recyclables and Compostables Collection Agreement with WM. The term of the agreement is 7 years with three 2-year extensions at the sole option of the City. The City opted to use the first two extensions in 2019 and 2021 (see Resolution No. 1511 and Resolution No. 1577 in exhibits), and the current extension will end on May 31, 2023. Should the City Council decide to authorize the third extension, the agreement will expire on May 31, 2025.

### **ANALYSIS**

The Administration worked with Chris Bell of the consulting firm Bell & Associates to analyze the City's contract with WM as well as market trends and conditions in the region. Mr. Bell provided a memo (exhibit 2) outlining his recommendation to exercise the option for the last two-year extension with WM.

Fees and rates for new agreements in the Puget Sound region have significantly increased in recent years due to a variety of reasons, and many cities have opted to extend their current agreements rather than conducting an RFP process or negotiating a new agreement. The Cities of Issaquah and North Bend are two examples of cities that saw significantly increased rate proposals as a result of their RFP processes. Issaquah's collection rates increased by approximately 55% when their City Council decided to retain Recology in 2022. North Bend completed a procurement for collection services in Fall 2022 and is still in the process of selecting a service provider after their rate proposals increased more than expected.

The information collected as part of this process suggests exercising the third agreement extension is a financial value for Snoqualmie ratepayers. Many communities have seen significant rate increases as a result of new agreements, and Snoqualmie is likely to see increased rates after the current agreement expires. The City has had a positive relationship with WM and residents have generally been satisfied with the service they have received throughout the term of the agreement. The administration and Mr. Bell recommend that Council exercise the option for the last two-year extension of the current agreement with WM. Staff will develop strategies to address future rate increases and prepare for the expiration of the agreement to lessen the impact on residents.

### **NEXT STEPS**

Staff will notify WM to exercise the option for the third and final two-year extension.

## **PROPOSED ACTION**

Move to Approve Resolution No. XXXX Exercising the Option for a Third Two-Year Extension of the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement.