

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: October 2, 2023

Topic:

Approve an annual Consumer Price Index (CPI) and Fuel Index Adjustment from GFL Environmental (formally WCA Waste Corporation) of 5%, effective October 1, 2023, authorize the expenditure of funds therefor, and authorize the City Manager to execute any and all required documentation. This amount is included in the FY 2023-2024 budget.

Background:

Based on the terms and conditions of the Service Contract between the City of Tomball and GFL Environmental for solid waste services, a CPI and Fuel Index adjustment are permitted annually. The City has received notification from GFL requesting a CPI increase of 5%.

Our current contract with GFL allows the rates to be increased based on the Consumer Price Index for Houston, Texas which is currently at 5.998% for solid waste, and the Energy Information Administration of the US Department of Energy Weekly Retail On-Highway Diesel Prices for the Gulf Coast which is currently at 2.45% resulting in a maximum allowable rate increase of 8.45%.

The total adjustment for services as of October 1, 2023, will be 5% total, the maximum allowed under the contract terms and conditions, and not the projected 8.45%. The proposed CPI increase will not increase pricing for residential or commercial customers; during the implementation of the original contract the CPI increases were accounted for over the five-year term of the contract in our Master Fee adoption in October 2019.

There will be an increase for roll-off services proposed in our Master Fee Schedule to align with GFL's pricing, but this billing is not completed by the City and is instead directly billed by GFL. Our Master Fee Schedule will only reflect what is being charged by GFL for contractors that refer to our website for information.

The last CPI approved by City Council was on August 2, 2021, for fiscal year 2021-2022; a request was not received for our current fiscal year (2022-2023).

Origination: Project Management

Recommendation:

Staff recommends approving the request annual Consumer Price Index and Fuel Index Adjustment from GFL Environmental of 5%, effective October 1, 2023.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: No:

If yes, specify Account Number: #100-155-6327

If no, funds will be transferred from account: # _____ To Account: # _____

Signed: Meagan Mageo **Approved by:** _____
Staff Member Date City Manager Date