



**March 9, 2022**

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**To:** Mayor and Council

**CC:** N/A

**From:** Brandon Perkins, Town Manager

**Re:** Rate Adjustment Request from AMWaste

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Per Section 3.20 of the Town's sanitation contract with AMWaste, they are entitled to submit an annual request for a rate increase that is to be reviewed against the rate of inflation and based on the Department of Labor's Consumer Price Index (CPI) for All Urban Consumers – U.S. City Average – Garbage and Trash Collection. They are also entitled, under section 3.20.1 to an adjusted fuel surcharge. Pursuant to these contract provisions, AMWaste recently submitted a request for a rate adjustment to be effective in April 2022.

The current rate for a single can is \$18.17/month or \$54.51/quarter and the proposed increase will amount to \$18.69/month or \$56.01/quarter, which is a 2.86% increase.

AMWaste is also implementing the fuel surcharge at 7.24%, which will be an additional \$4.06 for customers with a single container and \$4.62 for those with two containers.

Staff realizes, given some of the performance issues the Town has experienced over AMWaste's first contract year, that approving a rate increase is not a popular idea and seems counterintuitive. However, this is not an arbitrary request from the vendor to simply increase their bottom line. This request is being made based on contract provisions and data reflected by the current economy under which the cost of doing business is rapidly increasing across the board. I reviewed the bid tabulation from the 2020 RFP and AMWaste's newly proposed rates are still lower than the other bids that were received at the time.

A representative from AMWaste will be in attendance at the meeting to offer additional input and answer any questions you may have before making a decision.

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