

DESCRIPTION: Consider Award of Five-Year Solid Waste Contract
MEETING: 2021_03_01 Regular City Council
DEPARTMENT: Public Works
STAFF CONTACT: Bill Carroll

FISCAL IMPACT SUMMARY:

\$1,293,498.72 per year in the upcoming FY 2021-2022 budget based on staff recommendation for service delivery.

SUMMARY OF ACTION:

The City's current five-year contract for solid waste services with Waste Pro USA expires on June 30, 2021, so a new solid waste services contract is needed beginning July 1, 2021. Please review the enclosed memorandum from Public Works Director Bill Carroll regarding the process used for soliciting, reviewing, and recommending a new service contract.

The Public Works Director recommends the City Council award Waste Pro USA the solid waste, recycling, bulk waste, and portable restroom contract at the prices proposed. If so awarded, staff will negotiate the details of the service contract with Waste Pro USA for data collection, customer service standards, and accountability. The Public Works Director also recommends the City Council permit staff to initiate the financing of the named equipment and begin operational planning for yard waste and leaf collection services.

The city council will need to discuss how to fund the overall increase in solid waste services during the upcoming budget workshops. The current solid waste fee is designed to cover 50% of the cost of solid waste services, with the other 50% of costs covered by property taxes. The current solid waste cost is \$13.58 per household per month, so the \$7 monthly solid waste fee covers 50% of the cost. The same \$7 fee would only cover 41% of the proposed \$17.16 cost per household per month.

EXHIBITS:

[Memo on Solid Waste Contract-2021](#)

STAFF RECOMMENDATION:

The city manager recommends that the city council accept the staff recommendation for solid waste services for the upcoming five-year period.



MEMORANDUM

To: Adrian Miller, City Manager
From: Bill Carroll, Public Works Director
Date: February 19, 2021
Re: 2021 Solid Waste Contract

Purpose

The purpose of this memo is to recommend the City of Belmont award Waste Pro USA the City's 5-year solid waste contract beginning July 1, 2021.

Summary

On January 5, 2021 Belmont's RFP for solid waste was posted publicly on the City website and emailed directly to several vendors operating in this region. Services included in the RFP were solid waste, recycling, yard waste, leaves, bulk waste, and portable restrooms. Bids were received until January 22, 2021 at noon whereupon the bids were opened and examined. Since then, staff have reviewed the bid packages, comparing costs, service levels, and compatibility. The lowest bidder was Waste Pro USA with the addendum that we utilize existing carts. Waste Pro USA was the only vendor to bid on portable restroom services and at no cost to the City.

Staff reviewed proposals with the City Council at its January 23 retreat and with the Environmental Sustainability Board (ESB) at its joint meeting on February 9. The following discussion and recommendation are consistent with guidance from these meetings.

Discussion

Waste Pro offers the lowest costs with their "current cart" addendum. The City Council and the ESB indicated they would accept this addendum. Staff believes the cost savings of this addendum, in conjunction with the sustainability arguments, is the best path forward. Figure 1 details the costs of the fiscal year 21-22 Waste Pro contract compared to our existing contract.

Figure 1	Solid Waste	Recycling	Leaves and Yard Waste	Bulk Waste	Monthly Household Cost	Total Annual Cost
Waste Pro Current	\$8.14	\$2.61	\$2.74	\$0.09	\$13.58	\$947,431.55
Waste Pro Bid	\$8.49	\$4.83	\$4.93	\$0.29	\$18.54	\$1,293,498.72

There is a 36.53% increase in the cost of the contract if awarded with all current services. The most significant increases are with recycling and leaf and yard waste collection. The recycling increases are likely due to global marketplace concerns. Even so, Belmont's rates of participation in recycling are high and contamination rates are low meaning the cost increase is well worth continuing the program. Leaf and yard waste collection increases are likely due to operational and equipment challenges that Waste Pro experiences with this service. After an analysis of yard waste and leaf collection costs, staff believes providing these services in-house is more affordable and will offer a greater customer experience for our residents. Figure 2 details this cost break down.

Figure 2	Solid Waste	Recycling	Leaves and Yard Waste	Bulk Waste	Monthly Household Cost	Total Annual Cost
Waste Pro Bid	\$8.49	\$4.83	-	\$0.29	\$13.61	\$949,542.48
City of Belmont			\$3.55		\$3.55	\$247,676.40
Total	\$8.49	\$4.83	\$3.55	\$0.29	\$17.16	\$1,197,218.88

Here, there is only a 26.1% increase from the current contract cost. The City of Belmont portion is estimated and includes equipment financing costs, landfill costs, and personnel costs.

To meet the operational needs of bringing leaf collection and yard waste in house, the City Council will need to authorize the purchase of several pieces of equipment:

- Two Large Leaf Vacuum Trucks (\$222,506 each/\$445,012 total)
- One Small Leaf Vacuum Truck (\$156,960)
- One Claw Truck (\$160,007)

The total estimated cost of purchasing the needed equipment is \$761,979. Staff recommends financing this equipment over the five years of the proposed contract to spread the costs over five years. Given the current Covid-19 pandemic and ongoing manufacturing challenges, the City Council should authorize the purchase of the above equipment as soon as feasible to prevent any gap in services.

Recommendation

The Public Works Director recommends the City Council award Waste Pro USA the solid waste, recycling, bulk waste, and portable restroom contract at the prices proposed. If so awarded, staff will negotiate the details of the service contract with Waste Pro USA for data collection, customer service standards, and accountability. The Public Works Director also recommends the City Council permit staff to initiate the financing of the named equipment and begin operational planning for yard waste and leaf collection services.