



AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to approve Refuse and Recycling Collection Five Year Contract with Advanced Disposal
Presenter:	John Lamb

Please check appropriate box:

	Government Operations	<input checked="" type="checkbox"/>	Government Services 05.28.13
	Planning & Development	<input type="checkbox"/>	City Council
	Public Hearing	<input type="checkbox"/>	

Estimated Cost:	\$	Budgeted:	YES	<input checked="" type="checkbox"/>	NO	
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If NO, please explain how item will be funded:

Executive Summary:

Please see attached memo.

Attachments: *(please list)*

Memo

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve Refuse and Recycling Collection Five Year Contract with Advanced Disposal.

<i>For office use only:</i>	<i>Agenda Item Number: 4.h</i>
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Memo

Date: May 28, 2013

To: Mayor Rogina, City Council and Brian Townsend

From: John Lamb

RE: Refuse and Recycling Collection Contract

The City is in the third year of a contract for refuse disposal and recycling with Advanced Disposal (formerly Veolia). The contract allows for a renewal option for the fourth and fifth year. The option includes pricing for those years. This contract was approved by the City Council in May of 2010 with the renewal option and pricing. On June 30 of this year the contract will expire if not renewed. The contract year is July 1 – June 30.

In the past four months staff investigated the option of partnering with Geneva and Batavia on a tri-cities solid waste disposal contract. Batavia and Geneva were motivated to seek proposals for refuse and recycling collection. After several meetings among the tri-cities staffs it was decided a single contract for all three cities would be somewhat difficult to undertake due to the unique requirements and legal issues of respective cities and have completed prior to July 1. For your information, Batavia and Geneva independently solicited proposals with a common time line and core work scope. Each community received proposals from five vendors. In both cases Advanced Disposal was the low proposer for the alternatives chosen. We did not elect to solicit proposals for refuse and recycling services. As you know St. Charles has a very competitive contract with Advanced Disposal including our option years (2013 and 2014). In addition Advanced Disposal was willing to ensure the City would not have higher rates than Geneva or Batavia as a result of their proposal solicitation.

Information is provided on the attached table, regarding key pricing for the St Charles refuse and recycling program. As a base line we have provided what bag/tag and toter pricing is today in our contract with Advanced Disposal (current through June 30). Advanced Disposal has also provided two options for refuse and recycling collection in the future. The first option, labeled "Option Year Fees" represents the renewal option included in our current contract. The second option, labeled "Proposed 5-year Contract Renewal Fees" is based on the proposal solicitation received in Batavia and Geneva.

Each of the options has benefits. Please consider the benefits as follows.

A---Option Year Fees (Years 2013 and 2014)

- 1- Service level remains status quo.
- 2- Bag, tag and toter fee increase is modest but more competitive than Batavia and Geneva.

B---Proposed 5-Year Contract Renewal Fees (Years 2013 through 2017)

- 1- Lock down a five year contract for pricing.
- 2- Advanced Disposal provides a “free” 35 or 65 gallon wheeled recycling toter to each household. The recycling toter may be used in lieu of the orange bin(s). For your information, residents pay \$3.00/month in the present contract.
- 3- The recycling toter enhances the “green image” of the City as it encourages recycling.
- 4- The recycling toter eliminates the problem with blowing litter from the orange bin in neighborhoods.
- 5- The recycling toter has the floor area of an orange bin and the volume of a garbage can. In the case of the resident who uses multiple orange bins the recycling toter may take less storage space.
- 6- Batavia, Geneva and St. Charles contracts all end in 2017. This may allow for a single tri-cities refuse and recycling contract in the future.
- 7- The trend in refuse and recycling collection is to move to the toter and away from the bag and tag. This moves our community gradually a “step at a time”.

C---There is one additional option and that is to direct staff to solicit proposals for consideration independently of the options discussed above.

Staff would recommend we endorse the “Proposed 5-Year Contract Renewal Fees” option as discussed above. The option of a secure five year contract rather than to take that risk in 2015 is of value. Additionally, several of the base services option fees are maintained from the “Option Year Fees” and included in the “Proposed 5- Year Contract Renewal Fees” enhancing the recommended fee structure.

Refuse / Recycling Pricing Comparison - May 2013
Current Contract Options - Year 4 & 5 to Advanced Disposal Proposed 5-Year Contract Renewal

	Current Fees		Option Year Fees		Proposed 5-Year Contract Renewal Fees				
	2012/13		2013	2014	2013	2014	2015	2016	2017
Base Service									
Refuse Sticker	\$ 2.70	\$ 2.78	\$ 2.78	\$ 2.86	\$ 2.85	\$ 2.98	\$ 3.11	\$ 3.25	\$ 3.40
Yard Waste Sticker	\$ 2.70	\$ 2.78	\$ 2.78	\$ 2.86	\$ 2.85	\$ 2.98	\$ 3.11	\$ 3.25	\$ 3.40
Half Refuse Bag	\$ 1.50	\$ 1.54	\$ 1.54	\$ 1.59	\$ 1.54	\$ 1.59	\$ 2.02	\$ 2.11	\$ 2.21
Refuse Bag	\$ 2.98	\$ 3.07	\$ 3.07	\$ 3.16	\$ 3.07	NA	NA	NA	NA
65 Gallon Recycling Toter									
35 Gallon Refuse Toter (optional)	NA	NA	NA	NA	\$ 19.00	\$ 19.86	\$ 20.75	\$ 21.68	\$ 22.66
65 Gallon Refuse Toter	\$ 17.50	\$ 18.03	\$ 18.03	\$ 18.57	\$ 18.03	\$ 18.57	\$ 21.84	\$ 22.82	\$ 23.85
95 Gallon Refuse Toter	\$ 20.69	\$ 21.31	\$ 21.31	\$ 21.91	\$ 21.00	\$ 21.95	\$ 22.93	\$ 23.96	\$ 25.04
35 Gallon Recycling Toter (optional)	NA	NA	NA	NA	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20
65 Gallon Recycling Toter (optional)	NA	NA	NA	NA	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 2.20
95 Gallon Recycling Toter (optional)	NA	NA	NA	NA	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 3.20
65 Gallon Yard Waste Toter	NA	NA	NA	NA	\$ 25.00	\$ 26.13	\$ 27.30	\$ 28.53	\$ 29.81
Other Services									
White Goods (per item)	\$ 2.70	\$ 2.78	\$ 2.78	\$ 2.86	\$ 30.00	\$ 30.00	\$ 35.00	\$ 35.00	\$ 40.00

NOTES:

Advanced proposal pricing includes 35 or 65 gallon recycling toter for all residents.

Refuse Sticker	Fee will increase \$0.07 from option year price with 5 year renewal.
Yard Waste Sticker	Fee will increase \$0.07 from option year price with 5 year renewal. There will no longer be yard waste bags. Residents can purchase yard waste stickers and use generic bags.
Half Refuse Bag	Advanced will keep same pricing as option years with 5 year renewal.
Refuse Bag	Advanced will keep same pricing as option year 2013/14 and will discontinue use of full bags on July 1, 2014. Residents at that time can purchase refuse stickers and use generic bags.
65 Gallon Refuse Toter	Advanced will keep same pricing as option years with 5 year renewal.
95 Gallon Refuse Toter	Advanced proposed pricing is less than option years.
White Goods (per item)	Advanced proposed pricing is significantly higher. However, there are very few requests for this service due to appliance exchange service from retailers.