Residential Solid Waste and Recyclable Collection Contract
- Background

• County provides solid waste and recyclable collection services to approximately 19,000 residential units
• Approximately 16,000 curbside collection
• The amount of household waste collected is about 14,000 tons a year, and recyclables is about 3,100 tons a year
• Current Contractor is Allied Waste Services of North America (dba Republic Services of Utah)
• Current contract expires July 1, 2022
Residential Solid Waste and Recyclable Collection Contract
- Existing Service

- Contractor provides weekly residential garbage collection from 65-gallon carts and dumpster collection for multifamily units
- Contractor provides commingled (or single-stream) recyclable collection, every other week from 95-gallon carts and dumpster collection for multifamily units
  - Recyclable materials collected include cardboard, paper, food boxes, food cans, plastic milk and juice jugs, beverage cans, plastic jars, plastic bottles, and caps
- Currently the County does not separately collect yard trimmings, glass, or food waste, but Republic has provided bulky waste as an added service direct to residents
- The County bills all residents a Solid Waste Fee in July of each year through the the solid waste contractor (Republic Services) under the curbside contract

Staff Review and Recommendation
October 6\textsuperscript{th}, 2021
Residential Solid Waste and Recyclable Collection Contract - Request for Proposals

• Issued February 19, 2021
• Proposals Submitted June 1, 2021
• October of 2021 Republic Services Selected for Contract Negotiations Based on:
  • Cost Proposal
  • Previous experience in Summit County
  • Existing facility in the Snyderville Basin housing management, fleet and fleet maintenance
  • Their proposal to enhance the existing recycling program and improve/enhance their interaction with Recycle Utah to reduce contamination rate currently being experienced
  • Their proposal to add customer service staff and forgo the national call center which has been a source of inaccurate information to residents and frustration
  • Proposal to partner with County on recycling transfer center
  • No exceptions to the Standard Services Agreement.

Staff Review and Recommendation
June 22, 2022
## Residential Solid Waste and Recyclable Collection Contract - Cost Comparison of all Respondents

<table>
<thead>
<tr>
<th>Collection Item</th>
<th>Current Contract</th>
<th>ACE Disposal</th>
<th>Republic Services</th>
<th>Waste Connections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste Collection (per unit)</td>
<td>$8.47</td>
<td>$9.09</td>
<td>$8.72</td>
<td>$9.90</td>
</tr>
<tr>
<td></td>
<td>140,229.32</td>
<td>150,494.04</td>
<td>$144,368.32</td>
<td>163,904.40</td>
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<tr>
<td>Recycle Collection (per unit)</td>
<td>$5.17</td>
<td>$6.12</td>
<td>$5.41</td>
<td>$5.55</td>
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<tr>
<td></td>
<td>85,594.52</td>
<td>101,322.72</td>
<td>89,567.96</td>
<td>91,885.80</td>
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<tr>
<td>Waste 3yd wkly</td>
<td>$56.25</td>
<td>$62.35</td>
<td>$41.57</td>
<td>$44.61</td>
</tr>
<tr>
<td></td>
<td>10,181.25</td>
<td>11,285.35</td>
<td>7,524.17</td>
<td>8,074.41</td>
</tr>
<tr>
<td>Waste 4yd wkly</td>
<td>$75.00</td>
<td>$83.14</td>
<td>$55.42</td>
<td>$59.47</td>
</tr>
<tr>
<td></td>
<td>15,375.00</td>
<td>17,043.70</td>
<td>11,361.10</td>
<td>12,191.35</td>
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<tr>
<td>Waste 6yd wkly</td>
<td>$112.49</td>
<td>$124.70</td>
<td>$83.14</td>
<td>$89.20</td>
</tr>
<tr>
<td></td>
<td>16,536.03</td>
<td>18,330.90</td>
<td>12,221.58</td>
<td>13,112.40</td>
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<tr>
<td>Waste 8yd wkly</td>
<td>$149.99</td>
<td>$166.27</td>
<td>$110.85</td>
<td>$118.94</td>
</tr>
<tr>
<td></td>
<td>13,499.10</td>
<td>14,964.30</td>
<td>9,976.50</td>
<td>10,704.60</td>
</tr>
<tr>
<td>Waste Rolloff</td>
<td>$177.45</td>
<td>$290.00</td>
<td>$182.76</td>
<td>$170.85</td>
</tr>
<tr>
<td></td>
<td>887.25</td>
<td>1,450.00</td>
<td>913.80</td>
<td>854.25</td>
</tr>
<tr>
<td>Front Load 6Y</td>
<td>$74.53</td>
<td>$115.20</td>
<td>$83.14</td>
<td>$89.20</td>
</tr>
<tr>
<td></td>
<td>2,086.84</td>
<td>3,225.60</td>
<td>2,327.92</td>
<td>2,497.60</td>
</tr>
<tr>
<td>Front Load 8Y</td>
<td>$99.36</td>
<td>$153.60</td>
<td>$110.85</td>
<td>$118.94</td>
</tr>
<tr>
<td></td>
<td>12,519.36</td>
<td>19,353.60</td>
<td>13,967.10</td>
<td>14,986.44</td>
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<tr>
<td>Tip Adjustment Current Contract</td>
<td>$12,600.00</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Recycle Rolloff</td>
<td>$332.90</td>
<td>$400.00</td>
<td>$337.83</td>
<td>$311.75</td>
</tr>
<tr>
<td></td>
<td>8,655.40</td>
<td>8,000.00</td>
<td>6,756.60</td>
<td>6,235.00</td>
</tr>
<tr>
<td>Waste Bill for Collections (monthly)</td>
<td>$318,664.07</td>
<td>$345,470.21</td>
<td>$298,985.05</td>
<td>$324,446.25</td>
</tr>
<tr>
<td>Annual Fee Bill</td>
<td>$2.76</td>
<td>$1.50</td>
<td>$2.85</td>
<td>$2.50</td>
</tr>
<tr>
<td></td>
<td>53,762.04</td>
<td>30,000.00</td>
<td>57,000.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Above with 20K annual bills and 12mths service</td>
<td>$3,877,730.88</td>
<td>$4,175,642.52</td>
<td>$3,644,820.60</td>
<td>$3,943,355.00</td>
</tr>
<tr>
<td>With Performance bond</td>
<td>**</td>
<td>$4,259,155.37</td>
<td>***</td>
<td>**</td>
</tr>
<tr>
<td></td>
<td>$4,475,155.37</td>
<td>$3,644,820.60</td>
<td>$3,964,955.00</td>
<td>**</td>
</tr>
</tbody>
</table>

** Ace Bond - 2% of total cost

*** Republic Bond - Included in the per unit waste bin fee. Unit rate increase is $0.09 on Household Waste units to cover bond. Renegotiated if bond not required.

**** Waste Connections Bond - $0.09 per unit per month. Based on 20,000 units
Residential Solid Waste and Recyclable Collection Contract
- Proposed Opt-In Services

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Bulky Item</th>
<th>Food Waste</th>
<th>Green Waste</th>
<th>Glass</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic Services</td>
<td>By Request.</td>
<td>Direct with Spoil to Soil. Mirror RS Collection Schedule</td>
<td>Minimum of 3500 homes. Wild Harvest</td>
<td>35 gal cart. Direct with Momentum Glass</td>
<td></td>
</tr>
</tbody>
</table>
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement:

• Public Education
  • Provide new and helpful content to Republic Website and through Social Media
  • New Customer Information Pamphlet
  • Improper Set-Out Notices
  • Contribute up to Twelve Thousand Dollars ($12,000) annually towards Publication and Outreach
  • Implement and maintain the Recycling Simplified website and APP
  • Weekly radio education spots on KPCW Radio
  • Participate with the County on the funding and distribution of the annual recycling calendar
  • Propose additional annual public education and outreach approaches to ensure proper setout of Solid Waste and Recyclable Materials for collection

Staff Review and Recommendation
October 6th, 2021
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

• Performance Criteria
  • Improve communications during weather and equipment service delays
    • Better use of Robo-Calls, Social Media
  • Solid Waste Management Fee Invoicing
    • Sent out by July 15th
    • Responsible for past due collections

• Customer Service Changes
  • Publish local phone number for Customer Service Calls (including marking trucks)
  • Develop and implement a notification system capable of providing a database of complaints and resolutions
  • Resolve Customer Complaints within 2 Business Days
  • Proposed to add customer service staff to local office and forgo the national call center
    • Call Center has been a source of inaccurate information to residents and source of most customer service issues

Staff Review and Recommendation
October 6th, 2021
Key points included in the attached new Services Agreement (cont.):

Penalties for non-Performance. Documented instance of non-performance of the Agreement

- Failure to clean-up waste or recycling spills dropped by collection vehicle: $100 per offense
- Failure to resolve collection substantiated complaint within 1 business day: $100 per offense
- Failure to take disciplinary action against employee for substantiated offenses: $100 per offense
- Changing day of collection without notice to County and public: $1,000 per offense
- Starting route collection before 7 a.m. unless approved by the County: $1,000 per offense
- Intoxication of REPUBLIC employees on the job: $1,000 per offense
- Failure to collect all waste or recyclables on the day of collection unless approved by the County, except during extreme weather conditions: $1,000 per offense

Staff Review and Recommendation
October 6th, 2021
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation

- **Weekly Residential Curbside Program:**
  - $8.72 per Residential Dwelling Unit per month (Includes $0.09 each for Bond, can negotiate it out)
  - Additional Residential Cart rebate to County is 40%
  - Replacement Residential Cart - $60.00 per cart

- **Every Other Week Recycling Curbside Program:**
  - $5.41 per Residential Dwelling Unit per month
  - Additional Recyclable Cart rebate to County is 40%
  - Replacement Recycling Cart - $60.00 per cart

- **Dumpster Program**
  - Based on Fee Schedule in Agreement

Staff Review and Recommendation

October 6th, 2021
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

• Tipping Fees – per the Three Mile Canyon Landfill published fee schedule.
• Alternate Subscription/Opt-In Based Services
  • Weekly Green Waste Collection and Disposal - $10.00 per cart per month (serviced April 1st through October 31st, billed all twelve months of the year)
  • Requires minimum 3500 subscriptions to initiate service
  • Requires a viable Green Waste Facility operating in Summit County
  • Define how/when subscription service will be solicited
• Bulky Item pick up $75 fee per item for on-call (See alternative proposal for details)
• Glass – Direct referral to Momentum Recycling
  • Include glass recycling information in Recycling Public Education Program
• Curbside Food Waste Collection – Direct referral to Spoil to Soil
  • Include food waste recycling information in Recycling Public Education Program

Staff Review and Recommendation
October 6th, 2021
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

• Assuming existing levels of service, comparative cost of service without Escalators

(Table from the October 2021 meeting)

<table>
<thead>
<tr>
<th>Collection Item</th>
<th>Current Contract</th>
<th>Republic Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste Collection (per unit)</td>
<td>$ 8.47 $ 140,898.00</td>
<td>$8.72 $ 144,368.32</td>
</tr>
<tr>
<td>Recycle Collection (per unit)</td>
<td>$ 5.17 $ 86,008.12</td>
<td>$5.41 $ 89,567.96</td>
</tr>
<tr>
<td>Waste 3yd wkly</td>
<td>$ 56.25 $ 10,181.25</td>
<td>$41.57 $ 7,524.17</td>
</tr>
<tr>
<td>Waste 4yd wkly</td>
<td>$ 75.00 $ 15,375.00</td>
<td>$55.42 $ 11,361.10</td>
</tr>
<tr>
<td>Waste 6yd wkly</td>
<td>$112.49 $ 16,536.03</td>
<td>$83.14 $ 12,221.58</td>
</tr>
<tr>
<td>Waste 8yd wkly</td>
<td>$149.99 $ 13,499.10</td>
<td>$110.85 $ 9,976.50</td>
</tr>
<tr>
<td>Waste Rolloff</td>
<td>$177.45 $ 887.25</td>
<td>$182.76 $ 913.80</td>
</tr>
<tr>
<td>Front Load 6Y</td>
<td>$ 74.53 $ 2,086.84</td>
<td>$83.14 $ 2,327.92</td>
</tr>
<tr>
<td>Front Load 8Y</td>
<td>$ 99.36 $ 12,519.36</td>
<td>$110.85 $ 13,967.10</td>
</tr>
<tr>
<td>Tip Adjustment Current Contract</td>
<td>$12,600.00</td>
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</tr>
<tr>
<td>Recycle Rolloff</td>
<td>$332.90 $ 8,655.40</td>
<td>$337.83 $ 6,756.60</td>
</tr>
</tbody>
</table>

Waste Bill for Collections (monthly) $319,746.35 $298,985.05
Annual Fee Bill $2.76 $53,762.04 $2.85 $57,000.00
Above with 20K annual bills and 12mths service $3,890,718.24 $3,644,820.60
With Performance bond $3,972,854.45

Staff Review and Recommendation
October 6th, 2021
Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

Proposed Fee adjustment

• Three percent (3%) will be implemented starting July 1, 2023 and occur each July 1st thereafter

• Fuel Surcharge to be applied as set forth on the Fuel Surcharge Table located in Exhibit C of the Agreement
  • Based on Rocky Mountain No. 2 Diesel Retail Rack Monthly Average from the Energy Information Administration (http://www.eia.gov/oog/info/wohd/diesel.asp)

• See analysis below
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

• The previous contract with Republic was adjusted annually based on the Consumer Price Index for Garbage and Trash (CPI-G/T)

• The last CPI-G/T percentage increase was 4.8%


• The current CPI (all items) over this last year is 8.6%, the same CPI (all items) the previous year was 5.4% ([https://www.bls.gov/archives/cpi_07132021](https://www.bls.gov/archives/cpi_07132021))

Staff Review and Recommendation
October 6th, 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>CPI (all items)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>3.49%</td>
</tr>
<tr>
<td>2021</td>
<td>4.74%</td>
</tr>
<tr>
<td>2022</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

In 2020 3.49%
In 2021 4.74%
In 2022 3.35%
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)


• Current US CPI inflation, which is released monthly by the BLS, averaged 7.87% in February 2022. The US PCE inflation rate released by BEA for Q4 was 6.69% on average.

• And...
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

There is not a published CPI-G/T for the full period of June 2021 to June 2022 that could be found as yet. Just using a simple ratio to get an estimate as shown below:

\[
\frac{20/21 \text{ CPI}}{20/21 \text{ CPI-G/T}} = \frac{21/22 \text{ CPI}}{21/22 \text{ CPI-G/T}} \quad \frac{5.4}{4.8} = \frac{8.6}{X_{\text{CPI-G/T}}} = 7.6
\]

Used strictly as an estimate for comparison, assume CPI-G/T (21/22) may be 7.6%.

Making the adjustment against the MSW Curbside Fee of $8.47 x 7.6% = $9.11; Recycle Curbside Fee of $5.15 x 7.6% = $5.54.

SEE COST COMPARISON TABLE later in this report.

3% escalator takes effect in July of 2022
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

Fuel Prices have significantly increased since February of 2022. The following graphs are from the Energy Information Administration:

[Graphs showing fuel price trends]
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

The proposed Fuel Escalator Table found in the proposed Agreement is roughly based on the following table:

<table>
<thead>
<tr>
<th>Expense</th>
<th>Old</th>
<th>Incr</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel CPG</td>
<td>$3.00</td>
<td>$2.60</td>
<td>$5.60</td>
</tr>
<tr>
<td>Gallons Usage</td>
<td>8,930</td>
<td>-</td>
<td>8,930</td>
</tr>
<tr>
<td>Monthly Fuel</td>
<td>$26,791</td>
<td>$(23,219)</td>
<td>$50,010</td>
</tr>
</tbody>
</table>

Current RM Average Rack Price for June 2022

8,930 Gallons is the reported average monthly fuel use to service the County

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Old</th>
<th>Incr</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>$8.72</td>
<td>$1.41</td>
<td>$10.13</td>
</tr>
<tr>
<td>Homes</td>
<td>16,530</td>
<td>-</td>
<td>16,530</td>
</tr>
<tr>
<td>Monthly Revenue</td>
<td>$144,142</td>
<td>$23,307</td>
<td>$167,449</td>
</tr>
</tbody>
</table>

The Escalator is only applied against the 1st MSW Can

Staff Review and Recommendation
October 6th, 2021
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

From S&P Global Commodity Insights

Where fuel and inflation rates actually go is not known. It seems logical that if inflation (CPI) eases, so will fuel prices.
Residential Solid Waste and Recyclable Collection Contract

Key points included in the attached new Services Agreement (cont.):

Compensation (Cont.)

Based on current information estimates, the approximate cost increase for service under this contract is shown in the COST COMPARISON table below:

<table>
<thead>
<tr>
<th>Collection Item</th>
<th>Current Contract</th>
<th>Republic Services + Fuel Surcharge</th>
<th>Republic Services Assumed CPI-G/T @ 7.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste Collection (per unit)</td>
<td>$8.47 $140,229.32</td>
<td>$10.13 $167,710</td>
<td>$9.11 $150,890</td>
</tr>
<tr>
<td>Recycle Collection (per unit)</td>
<td>$5.17 $85,594.52</td>
<td>$5.41 $89,570</td>
<td>$5.56 $92,100</td>
</tr>
<tr>
<td>Waste 3yd wkly</td>
<td>$56.25 $10,181.25</td>
<td>$41.57 $7,520</td>
<td>$60.53 $10,960</td>
</tr>
<tr>
<td>Waste 4yd wkly</td>
<td>$75.00 $15,375.00</td>
<td>$55.42 $11,360</td>
<td>$80.70 $16,540</td>
</tr>
<tr>
<td>Waste 6yd wkly</td>
<td>$112.49 $16,536.03</td>
<td>$83.14 $12,220</td>
<td>$121.04 $17,790</td>
</tr>
<tr>
<td>Waste 8yd wkly</td>
<td>$149.99 $13,499.10</td>
<td>$110.85 $9,980</td>
<td>$161.39 $14,530</td>
</tr>
<tr>
<td>Waste Rolloff</td>
<td>$177.45 $877.25</td>
<td>$182.76 $910</td>
<td>$190.94 $950</td>
</tr>
<tr>
<td>Front Load 6Y</td>
<td>$74.53 $2,086.84</td>
<td>$83.14 $2,330</td>
<td>$80.19 $2,250</td>
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<tr>
<td>Front Load hauling</td>
<td></td>
<td>$500.00</td>
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</tr>
<tr>
<td>Tip Adjustment Current Contract</td>
<td>$99.36 $12,519.36</td>
<td>$110.85 $13,970</td>
<td>$106.91 $13,470</td>
</tr>
<tr>
<td>Recycle Rolloff</td>
<td></td>
<td>$12,600.00</td>
<td></td>
</tr>
<tr>
<td>Waste Bill for Collections (monthly)</td>
<td>$332.90 $8,655.40</td>
<td>$337.83 $6,760</td>
<td>$358.20 $7,160</td>
</tr>
<tr>
<td>Annual Fee Bill</td>
<td></td>
<td>$318,664.07</td>
<td></td>
</tr>
<tr>
<td>Above with 20K annual bills and 12mths service</td>
<td>$3,877,730.88</td>
<td>$3,924,960</td>
<td>$3,976,680</td>
</tr>
<tr>
<td>With Performance bond</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note an assumed CPI-G/T of 6.5% equals the current Fuel Surcharge

Staff Review and Recommendation
October 6th, 2021
Residential Solid Waste and Recyclable Collection Contract
- Recommendation

• This Meeting is a Work Session for discussion on the information presented

• After taking Council Comments and making any adjustments, at the June 29th meeting, Staff is prepared to present the following recommendation

  • After analysis the data available against the fee structure proposed by Republic Services, the proposed terms of service, public education, performance criteria, and the changes in customer service for our residents, staff recommends the Council authorize the County Manager to sign the Summit County Services Agreement with Allied Waste Services of North America, LLC Dba Republic Services of Utah (“Republic”)

QUESTIONS/DISCUSSION

Staff Review and Recommendation
October 6th, 2021