

TOWN OF PARADISE VALLEY

**Single Trash Hauler
License Agreement
January 25, 2018**



Single Hauler

Purpose: Review proposed terms and conditions for single hauler services. Receive public input and answer clarifying questions. Mayor and Council to vote on Resolution 2018-03 regarding License Agreement with Republic.



Single Hauler

- Quality of Life Problems/Goals
 - Reduce Frequency of Trucks on Street (Safety)
 - Reduce Wear and Tear on Streets
 - Preserve Customized Service
 - Address Aesthetics of Cans on Street Daily
 - Reduce Noise from Trucks
 - Reduce Rates
 - Improve Environmental Sustainability/Pollution
 - Maintain Limited Regulations



Single Hauler

- QOL Goal - make the system better?
- Broke the solutions into two tiers
 - Legislative Solutions
 - Single Hauler Proposal
- In Fall 2016 looked at Legislative Solutions



Legislative Amendments

- October 28, 2016 passed Ord 2016-12
 - Haulers may collect trash once per week
 - Haulers may only collect on two days of the week for each neighborhood
 - Vehicles must have smart back-up and operation at-idle technology
 - Vehicles must be 2010 or newer, or 2007 & Alt Fuel



Single Hauler

- Tier 2 – Single Hauler
 - Reaffirmed to go forward in March 2017 Retreat
 - Discussion on specifics not theory
 - Drafted RFP in May and June 2017
 - RFP went public July 6, 2017
 - Proposal Received September 6, 2017



Single Hauler

- Proposals Evaluated by 5 member panel
 - 3 staff, 1 resident, 1 from a Town who changed
- Proposals ranked based upon RFP Criteria
 - General Information (10%)
 - Experience & Qualifications (20%)
 - Method of Approach (30%)
 - Billing, Customer Service, Public Ed (10%)
 - Cost of Service (30%)



Single Hauler

- Resulting Rank
 - Republic Services
 - Right Away Disposal
 - Waste Management
 - Curbside Recycling and Disposal
- Staff Negotiate License Agreement w/Republic
 - Make the best proposal even better

Did Not Propose
Area Disposal
Scott Waste Services





	Republic Proposal	Post Negotiation Terms
Vehicles	3 used Diesel and 3 new CNG	All New CNG and 1 small truck for Hillside
Inflation	Water, Sewer, Trash Index or 4%	3.5% with a safety valve of no price increase if the Water, Sewer, Trash index is zero or below zero.
Drive Cameras	Not proposed	Installed on all vehicles
GPS on Trucks	Not proposed	Installed on all vehicles
Walk up Service	\$30 1x/week; \$60 2x/wk	\$25 1x/week; \$50 2x/week
Additional 96 Gallon Bin	\$8.09/month	\$5.00/month
Customer Service	Cell Center hours 4 a.m. – 7 p.m.	Call Center + Dedicated personnel for enrollment and dedicated phone line for PV customers.
HOA	Up to 3 year Most Favored Nation. Current hauler can remain up to 3 years.	7 year most favored nation for HOA and Individuals. 3.5% inflation where allowed or on last year of contract. Current hauler can remain up to 3 years.
Term and Rate	5 years @ \$21.45 1x/wk	7 years @17.84 1x +\$10 2x

Contract Terms

- All new CNG Fleet (except small vehicle for hills)
- All new carts (96 Gallon)
- Call Center 4:00 a.m. – 7:00 p.m.
- Mobile app to enroll, pay bills, customer service
- Missed carts reported by 11am, same day
- Missed carts reported after 11am, next day



Contract Terms

- Video cameras on vehicles to film pick-ups
- GPS on trucks to track time and place
- Annual Household Hazardous Waste Disposal
- Semi-annual Shredding Event
- Christmas Tree Pick-up
- Access to transfer station
- Semi- Annual meeting with PD to share info



Contract Terms

- “Most Favored Nation” – Honor contracts of individuals and HOA’s for service up to 7 years
 - Entered into before 7-1-17;
 - Honors price, frequency, and conditions
 - Individuals and HOA can remain with contracted hauler up to 7-1-21
 - If expires before 7-1-25, inflate last rate by 3.5% each year
 - Inserts 3.5% rate adjustor in contract if permissible



Contract Terms

- Pricing – 1x per week pick-up and recycling
 - \$17.84/mo. July 2018-June 2019
 - \$18.46/mo. July 2019-June 2020
 - \$19.11/mo. July 2020-June 2021
 - \$19.78/mo. July 2021-June 2022
 - \$20.47/mo. July 2022-June 2023
 - \$21.19/mo. July 2023-June 2024
 - \$21.93/mo. July 2024-June 2025



Contract Terms

- Twice-a-week trash service = +\$10/mo
- Additional 96 gallon carts = +\$5/mo
- Walk-up service = 1x/wk +\$25, 2x/wk \$50 /mo
- Suspension of Service for 3+ months = \$5/mo
- Additional 1x Pick-up = \$10

~~• 1 quarter trial of 1x per week – 7/18 – 9/18~~



Contract Terms

- What is the pricing by packages?

Collection Location	Curbside	Curbside	Walk-Up	Walk-Up
# of Trash Carts	1	2	1	2
1x/Week Trash and 1x/Week Recycle	\$ 17.84	\$ 22.84	\$ 42.84	\$ 47.84
2x/Week Trash and 1x/Week Recycle	\$ 27.84	\$ 32.84	\$ 77.84	\$ 82.84

Cost includes all taxes. No additional fees allowed.

* Chart provided by Republic



Comparison to Goals

- Frequency of trips – ~70% reduction, increase safety
- Wear and Tear on Streets – Rough Estimate:
– \$77,000-\$250,000, but not certain
- Customized Service – Menu of charges
- Aesthetics and Noise – Consistent with 2016-12
- Rate – Varies. For many ↓, few ↑, others ↔
- Environment – New CNG vehicles



Frequently Asked Questions

- What is the impact of trucks on the roads?
 - 70% less trash trucks. 1 truck = 1,200 cars
 - Cost impact of 70% reduction hard to quantify- need specific study
 - \$77,000 - \$250,000 based upon other studies with disclaimers
- What happens if the hauler has a strike?
 - Republic workers on this contract not union
 - Town can terminate the contract
 - Republic still obligated to pick up the trash. Substitute drivers.



Frequently Asked Questions

- What happens if Republic doesn't perform?
 - Contract requirements -TM gets monthly report of customer complaints – also training and service requirements
 - Liquidated Damages-\$ if failed customer complaint response, missed collections, failed cart return, failed clean-up, etc.
 - Performance Guarantee – Performance Bond (=1yr of Rev)
 - Town Inspection of records, facilities, equipment
 - Dispute Resolution–TM interprets agrmnt to resolve disputes
 - Termination – for non performance, breach, convenience



Frequently Asked Questions

- Inflation adjustor of 3.5% seems high?
 - The CPI for trash is the Water, Sewer, Trash Index
 - Monitored by the BLS. Last 5 years equaled 4%
 - No fuel charge, no labor variations, no taxes
- What if the economy collapses? Still 3.5%?
 - Contract has a fail safe that if Water, Sewer Trash Index is zero or negative, no price increase.



Frequently Asked Questions

- I have tried the Republic service line already. There were long waits. Why?

- The call center is not set up to answer questions for contracts that have not been signed and in-effect.
- Target time to answer call is 30 seconds.
- Republic will provide a person at Town Hall during enrollment.
- Republic will have a dedicated phone line for PV customers (rings local)
- Republic has an office at Deer Valley and Cave Creek for walk in issues
- On-line app only works for existing customers



Frequently Asked Questions

- Can I keep or return to my previous provider if unhappy with Republic Service?
 - No.
- Can Republic suspend my service, ever?
 - Yes. For delinquent payments greater than 60 days they may remove the carts.



Frequently Asked Questions

- What if I have in-ground containers?
 - Most Favored Nation clause protects that for 7 years
 - Requires special truck.
- What do other cities and Towns do? (East Valley)
 - City Run Trash Service - Phoenix, Scottsdale, Mesa, Gilbert
 - Single Hauler - Chandler (Waste Management), Fountain Hills (Republic), Queen Creek (RAD),
 - Multiple Haulers – Apache Junction (2), Carefree (2), Cave Creek (5)



Frequently Asked Questions

- The basic price seems high when compared to other towns and some HOA deals. Why?
 - Proposed prices ranged from \$16.65-\$28.97/mo
 - Republic started at \$21.45. In the range
 - Varied topography affects average (flat and hills)
 - Large lots affects average (1 acre v. 10k)
 - Number of accounts affect average (~5,500 in PV)



Frequently Asked Questions

- What if Republic realizes how hard my house is to serve. Can they up my rate?
 - No. These rates are applicable to all households. There are no exclusions for difficult houses, driveways, or streets.
- What is the Town Manager's recommendation?
 - Recommend approval
 - Most successfully accomplishes the QOL indicators Council outlined at start of the discussion in 2016.



Public Feedback

- Dedicated Email –
TrashFeedback@paradisevalleyaz.gov
- Numerous Phone Calls to Mayor, Council Manager Office
- As of 1-18-17 – received 99 comments
– 64 in favor and 35 opposed



Single Hauler

Purpose: Review proposed terms and conditions for single hauler services. Receive public input and answer clarifying questions. Mayor and Council to vote on Resolution 2018-03 regarding License Agreement with Republic.



Single Hauler

Questions?



Single Hauler

Possible Motions:

- Vote to approve license agreement
- Vote to reject and negotiate new contract with Republic that addresses...
- Vote to reject and draft a new RFP/structure, its contents to be discussed in future Study Session
- Vote to reject & postpone further discussion in single trash hauler indefinitely



