

TOWN OF PARADISE VALLEY

Single Trash Hauler Contract 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 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

- In short, how to 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



Contract Terms

	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.
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.
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.	Dedicated personnel for enrollment and dedicated phone line for PV customers.
Term and Rate	5 years @ \$21.45 1x/wk	7 years @ 17.84 1x/wk



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, complain
- 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 July 1, 2017;
 - Honors price, frequency, and conditions
 - Inserts 3.5% rate adjustor in contract, inserts 3.5%
 - If expires before 7-1-25, inflate last rate by 3.5% each year
 - HOA can remain with its contracted hauler up to July 2021



Contract Terms

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



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 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 was 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)



- The basic price seems high when compared to other towns and some HOA deals

Frequently Asked Questions

- 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 haulers.
- 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



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 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



