



Legislation Text

File #: 17-299, **Version:** 1

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Duncan Miller, Town Clerk

DATE: September 14, 2017

DEPARTMENT: Town Manager

AGENDA TITLE:
Discussion of Single Hauler Trash Collection Proposals

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☒ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☒ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

This initiative to explore a single hauler actually limits the growth of government associated with street repair and maintenance as well as public safety. Each trash vehicle has the impact of over 1,000 vehicles on Town streets. Trash truck stop and go as well as turning movements, particularly in high heat, have grave impacts on pavement. Additionally, trucks create various unintended safety issues on small neighborhood streets as motorists pass stopped vehicles with limited clearance and visibility. A single hauler will reduce the number and frequency of vehicles on Town streets improving pavement life and the aesthetics of the community. Lastly, the economies of scale of having a single hauler present cost savings to Paradise Valley residents.

Council Goals or Statutory Requirements:

Responsiveness to Residents - Identify and consider concerns in a timely manner and seek solutions to the best of the Town's ability. Trash - Explore a single hauler.

RECOMMENDATION:

Review the aggregate information from the single hauler proposals and provide staff feedback, including any direction related to the process.

SUMMARY STATEMENT:

The Town has often discussed the pros and cons of changing to a single hauler license for trash collection in the Town of Paradise Valley for the benefits noted above. To better facilitate this

discussion and its decision point, the Mayor and Town Council directed staff to solicit proposals. A Request for Proposals (RFP) was crafted, reviewed by Council, and offered over the 2017 summer. The Town received four(4) proposals from haulers at its September 6 deadline. The four haulers are Curbside Recycling and Disposal, Right Away Disposal (RAD), Republic Services, and Waste Management.

This is not an evaluation of each proposal. The purpose of this study session item is to identify ranges of rates and trends or observations across the proposals that might cause Mayor and Council to discontinue consideration of this initiative and reject all proposals. To that end, the following observations are made:

- The 2018 price per customer, per month for once a week pick-up of trash and recycling ranged from **\$17.63-\$29.97**. This includes a mechanism for disposing of household hazardous waste and shredding.
- The 2018 price per customer per month for twice a week pick up of trash and once per week pick up of recycling ranged from **\$27.63- \$41.22**. This includes a mechanism for disposing of household hazardous waste and shredding.
- A five year contract versus a three year contract resulted in approximately a \$1 per customer, per month reduction in price.
- Back Door Service, meaning the cost for the driver of the truck to walk to the designated spot and retrieve the waste bins, dump them, and return the bins to their place of storage had an extremely wide variation in price ranging from \$28 per month to \$180 per month.
- The cost to suspend service for a minimum of three months during the year had a range of no cost to a one-time charge of \$5.
- Proposers were asked to price all years of the contract. Two indexed their price to an outside source and two provided hard numbers. Of those who provided hard numbers, the annual increases were approximately \$1 per year each year of the contract.
- The variation in prices for additional services (such as larger containers or special pick-ups) varies widely with the high usually being more than double the low.
- Anecdotal, proposers indicated they anticipate HOA contracts with the hauler that is NOT selected will likely be cancelled by that hauler because it will not make cost sense to continue to serve such a small population.

Questions that Mayor and Council may consider:

1. Does the range of prices represent enough of a cost savings to achieve the benefits desired or should the process be discontinued?
2. Is there a preference for a 3 or 5 year contract?
3. Are there any “red flags” regarding the information that has been provided?

If Council direction is to continue forward with this process, the four proposals will be evaluated and ranked by a committee of 5 people, including three staff, one resident, and a representative from another municipality that has converted from multiple haulers to a single hauler. This evaluation and ranking process may include presentations, references, and best and final submittals. Once ranked, the Town Manager will commence negotiations on a possible contract. If a tentative contract is secured, that will be brought back to Mayor and Council in executive session. That will allow for further negotiations to address Council concerns with any contract. From there, it would go to a regular business meeting for public comment and possible action. This whole process is expected to be completed before year-end.

BUDGETARY IMPACT:

There is no budgetary impact. All services will be provided by the proposer and paid for by the customer directly to the proposing firm. Soft-costs to the Town include monitoring contract conditions. It is the Town Manager's intention to assign this to the new Finance position with some functions to be done by other existing staff across various departments as appropriate..

ATTACHMENT(S):

Summary of Price Sheet 3 Year Contract Term

Summary of Price Sheet 5 Year Contract Term