Legislation Text

File #: 18-054, **Version:** 1

TO: **Mayor Collins and Town Council Members**

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

DATE: **January 25, 2018**

DEPARTMENT: Town Manager

AGENDA TITLE:
Consideration of Single Trash Hauler License Agreement with Republic Services and associated resolution.

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

Mitigating the impacts of multiple trash haulers on neighborhoods creates an improved sense of community.

Council Goals or Statutory Requirements:
Responsiveness to Residents - Identify and consider resident concerns in a timely manner and seek solutions to the best of the Town's ability. Trash - Explore a single hauler solution.

RECOMMENDATION:
Adopt Resolution 2018-03; single-hauler license agreement

SUMMARY STATEMENT:
For the past two years, the Town has been examining the impacts associated with multiple trash haulers in Paradise Valley neighborhoods. The Town divided its mitigation work into two tiers. Tier one were legislative changes that maintained multiple haulers but limited collection to two days per week, required new vehicles with less emissions, and required the implementation of technology that reduced noise (such as smart back up alarms and operation at idle hydraulics).

The second tier, and one identified in the March 2017 Council Retreat, was to explore the possibility

of a single hauler. The outstanding items to be mitigated included impact to Town streets and economies of scale from a single provider. Both impacts were anticipated to be mitigated by a single trash hauler.

Regarding the impact on Town streets, Council requested information to help quantify the impact particularly from a financial standpoint. The attached memos from staff outline that research and findings (Shano April 2016 Memo, Burke 2017 memo).

In terms of economies of scale, Council was clear that this was not intended to be a theoretical discussion but rather the solicitation of actual proposals that could be evaluated and compared to the status quo. Staff and Council developed a Request for Proposal (RFP) procurement document collaboratively to ensure that current services could be purchased from a single hauler and to know how those costs compared. The RFP was published in July. Four proposals were received in September. A committee evaluated the proposals based upon the scoring criteria on the RFP. The scoring criteria was as follows (the full RFP is attached):

- General Information (10%)
- Experience and Qualifications (20%)
- Method of Approach (30%)
- Billing, Customer Service, and Public Education (10%)
- Cost of Service (30%)

The following was the ranked order of the proposals:

1. Republic Services (a.k.a. Allied Waste Transportation)
2. Right Away Disposal (RAD)
3. Waste Management
4. Curbside Recycling and Disposal

The Town Manager and Town Clerk then commenced negotiations with the top scoring proposer, Republic Services, to develop a contract for services to present to the Town Council for a vote up or down.

The terms and conditions of the License Agreement with Republic Service (Allied Waste) are more fully detailed in the attached contract, but are summarized here for review purposes (highlighted areas changed since the December 7 discussion. New language in bold).

I. All vehicles shall be of Compressed Natural Gas (CNG) with the exception of any small (less than 12' in length, by 8' in height and at or under six cubic yards) unit for purposes of collecting on hillside or narrow collection points.
II. All carts (96 Gallon collection bins) shall be new upon commencement of the contract for each customer.
III. Call center hours shall be maintained from 4:00 a.m. - 7:00 p.m. Arizona Time
IV. Allied Waste shall provide a mobile app that allows customers to enroll, pay their bill and report problems with service.
V. Paradise Valley Customers shall have the ability to pay by cash, check or credit card.
VI. Failed or missed collections reported before 11 a.m. shall be retrieved the same day. Otherwise collections shall be within 24 hours of reported time.

VII. Allied Waste shall install and operate video cameras and recordings on each vehicle operating in the Town. This will help confirm or dispute complaints including missed collections.

VIII. Allied Waste shall have Geographic Position Systems (GPS) on each vehicle collecting in the Town so as to provide time and location of collections within the Town to aid in resolving complaints and performing licensed services.

IX. Allied Waste to provide, either themselves or through a third party, annual Household Hazardous Waste collection consistent with the RFP as well as annual Christmas Tree collection and semi-annual shredding events.

X. Allied Waste shall honor **the pricing terms and contract services terms of** any contract for residential trash and recycling collection and disposal service entered into prior to July 1, 2017 ~~for up to three years from the Commencement Date of this contract~~ **through the end of the Initial Term of this Agreement (regardless of whether such contract expires by its terms prior to the end of the Initial Term) as if Allied Waste were the specified contract provider** (a.k.a. "Most Favored Nation"). This shall apply to individuals or Home Owners Associations **("HOA's")**. Said contract shall stipulate contracted services (such a frequency, size of collection container, etc.) and price for the entire contract period. **If the pricing trms of such a Most Favored Nation contract do not prohibit rate adjustments, Allied Waste may increase the rates for such individuals and HOA's by three-and-a-half percent (3.5%) annually (based on the prior year's rate), effective July 1 of each year; the first such percentage increase to take effect on July 1, 2018; butat no point shall the adjusted price exceed the negotiated prices set for in this Agreement. At the end of the Initial Term,** the customer shall move to the rate specified in this contract for selected services. Further, any HOA may remain with their contracted provider up to the third anniversary of the Commencement date consistent with the terms of the RFP.

XI. The 2018 - 2019 pricing **for Basic Service** shall be consistent with the Alternate Proposal provided **by Allied Waste** in Exhibit B in that Basic Service (1 time per week trash and 1 time per week recycle), including HHW, Shredding and Christmas tree collections, shall be priced at 17.84 per month. Rate adjustments for the following six years may increase no more than 3.5%. Therefore, anticipated rate shall be no more than"

a. July 2018 - June 2019 = $17.84
b. July 2019 - June 2020 = $18.46
c. July 2020 - June 2021 = $19.11
d. July 2021 - June 2022 = $19.78
e. July 2022 - June 2023 = $20.47
f. July 2023 - June 2024 = $21.19
g. July 2024 - June 2025 = $21.93

XII. All other pricing shall increase by no more than 3.5% **per year subsequent to year 1 pricing in the submitted RFP unless otherwise modified in this Exhibit. In the event that the Water, Sewer, Trash Index equals zero or below, no rate increase will occur that fiscal year.**

~~XIII. The Town and Allied Waste agree that Standard Service (a.k.a. twice a week collection) will not be offered until October 1, 2018. Exception will be those subscribing under Section X above ("Most Favored Nation").~~

XIV. Pricing for a second and additional 96 gallon container shall be reduced to $5 per month regardless of Basic or Standard subscription.

XV. Pricing for Back-Door service shall be reduced to $25 per month for Basic Service and $50 per month for Standard Service.

XVI. Allied Waste shall provide an employee full time at the Paradise Valley Town Hall for a period of one week for enrollment and question and answer. Said week shall be mutually agreed upon by both parties but not later than June 1, 2018. Thereafter a dedicated phone number shall be provided

through the term of the contract for Paradise Valley residents to call for sign-up and service related questions. Lastly, Allied Waste shall provide an office location for residents to visit for customer service.

Again, there are other terms and conditions that are more fully described in the attached License Agreement. The Agenda item is structured to receive and respond to questions from Mayor, Council and audience. Feedback received through the TrashFeedback email account as well as telephone/voicemail calls received in the Town Council and Manager's Office are provided to the Mayor and Town Council under separate cover. As of Thursday, January 18, 2018 we had received 99 comments with identified positions on the issue. 64 were in favor and 35 were opposed.

BUDGETARY IMPACT:
The Licensee will be responsible for all billing services and customer complaints. No additional Town staffing is anticipated. Additional phone calls are expected but should be absorbed by existing staff. Savings associated with street maintenance are assumed negligible until further review after contract is in place and results can be observed.

ATTACHMENT(S):
License Agreement
PowerPoint Presentation
Email Correspondence inadvertently sent to all Council Members via "reply all"