



CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager

From: John MacGillivray, Solid Waste Programs Supervisor
Kathy Brown, Public Works Director

Date: June 9, 2016

Subject: Solid Waste Collection Services Contract Authorization to Bid

RECOMMENDATION

It is recommended that the City Council pass a resolution directing the City Manager to conduct a qualitative, cost-based request for proposals process to procure solid waste collection services and authorize staff to expend Solid Waste Utility Fund cash reserves in an amount up to \$45,000 for contract consulting services. As the attached fiscal note describes, there would still be \$1,434,240 remaining in the reserve.

BACKGROUND

Solid Waste staff presented the various solid waste contract procurement alternatives to the City Council Public Works, Parks, and Human Services Committee on May 4th, to the City Council Finance and Administration Committee on May 31st, and in an individual briefing to Councilmember Sweet on June 1st since she sits on neither of the aforementioned Council committees. The committees and individual Councilmember recommended that the issue of a competitive, request for proposal procurement process be brought to the full Council for discussion and possible action.

Solid Waste Contract Details

The City of Kirkland contracts with Waste Management (WMI) for the collection of residential and commercial solid waste and has done so continuously for over three decades. The current contract was directly negotiated with WMI at the City Council's direction in 2010-2011 and implemented one month after the Juanita, Finn Hill, Kingsgate (JFK) annexation in July 2011. The contract with WMI is due to expire on June 30, 2018; however, the City may, at its sole option, extend the agreement under the current terms and conditions twice, each extension of which shall not exceed two years in duration. Any notice to extend the agreement must be provided to WMI not less than 90 days prior to the expiration of the agreement. The City of Kirkland has not undergone a competitive solid waste contract procurement since 2002.

Solid Waste Contract Procurement Rules in Washington State

Cities are granted an exceptional degree of latitude in determining how to contract for solid waste collections services, whereas in other public contract procurement processes, cities must follow specific guidelines to ensure competition.

Public works contracting is governed by [RCW 35.23.352](#) by reference in [RCW 35A.40.200](#) and [RCW 35A.40.210](#). In 1994, RCW 35.23.352 was amended and a former requirement that bids be sought when acquiring solid waste services was eliminated. Since the collection of solid waste is a service and bids are not strictly required for services, cities may use other means to select and contract with a solid waste service provider such as requests for qualifications, bids, or proposals, direct negotiations, renegotiations, or contract extensions. However, these procedures merely set out alternative approaches for the selection of a solid waste service provider for cities and there is no requirement that a city use those procedures.

CONTRACT PROCUREMENT OPTIONS

As described above, cities retain a great deal of autonomy with regard to solid waste contract procurement processes. In addition to the option of extending contracts, cities may choose to directly renegotiate, issue a request for bids (RFB), or ask bidders to compete through a request for proposal (RFP) process. No matter the method chosen, the length of most contracts is seven to ten years.

Direct Renegotiation

Renegotiating solid waste collection contracts can be difficult, as haulers will not typically open books or disclose operating margins. Instead, rate negotiations are based on comparisons with other city rates, which are based on different service packages, different mixes of commercial and residential customers, and that may or may not have been competitively procured. Cities may have difficulty determining whether they have actually negotiated a good deal that reflects market rates. Additionally, services and contract terms must be mutually acceptable and sometimes the hauler may refuse to meet city objectives for service levels or enforcement. Only a few cities in the region, Kirkland (due to the Juanita annexation), Redmond, and Kent have renegotiated their solid waste collection contracts in recent years.

Request for Bids (RFB)

Assuming the successful bidder is both responsive (follows the rules of the process) and responsible (able to provide the service), contracts based on the RFB model are awarded based solely on price. A city issues a bid which includes a base contract and bidders provide a price for each element to include both collection and disposal. The RFB may also include bid alternatives for city consideration. While this process is prevalent in public works contracting, the RFB process is somewhat rare in solid waste contract procurements since it lacks the inclusion of qualitative elements that tend to be important to city staff, residents and businesses. The City of Sammamish is the only city in King County in recent years to complete an RFB process, although the RFB process was common in early 2000's procurements. The City of Auburn is currently conducting an RFB process.

Request for Proposals (RFP)

The RFP process is more flexible and allows proposers to be evaluated on the design of their service model and references. RFP processes for solid waste services can take two years or more to complete. Processes typically include a preliminary industry review of bid documents; a two to three month advertisement period; a proposal evaluation process; and a final contract negotiation phase. Nine months to one year is usually reserved at the end of the process to allow the successful proponent time to order and take delivery of new collection vehicles. Proposals are not only evaluated on price but are also appraised on qualitative elements such as a proponent's quality of customer service, billing accuracy, sustainability plan, community participation and involvement, contract implementation and compliance, operations and system design, interviews with the city and references. Typically, ratings are weighted 60-80% on price and 20-40% on qualitative factors, depending upon a city's preference. RFP processes provide cities with the highest level of flexibility to award a contract based not only on price but also on the overall quality of service. In some cases, the proposer with the lowest price does not win the contract because the price and added service value of a competitor is ranked more highly. The RFP process has been the predominant solid waste procurement method in our region.

OUTCOMES OF RECENT PROCUREMENT PROCESSES

Below are summaries of several recent solid waste contract procurement processes from the cities of Bellevue, Bothell, Burien, Kent, Maple Valley, Redmond, Renton, Sammamish, SeaTac, and Shoreline. A summary of Kirkland's 2011 renegotiation with WMI is also included. City of Kirkland's Solid Waste Division contracted with Sound Resource Management to gather and consolidate rate and service data for each city and staff followed up with each city by sending a short questionnaire to gather more specifics on each city's process. Some of the summaries are more detailed than others due to the level of detail provided by each city and the relative complexity of its process. *Table 1* shows the specific rate outcomes, by sector and overall, resulting from each city's chosen procurement method.

Important Note on Table 1

The overall percentage rate increase or decrease shown in *Table 1* is a net average cost derived from a **weighted** average of the residential, multifamily, commercial and roll-off service sectors and any other adjustments such as increases or decreases in administrative fees, billing costs, and/or drop box mark-ups. Consequently, the overall rate increase may not necessarily be a straight average of the increases or decreases across all three sectors. The detailed rate and service data collected for each individual city is included in *Attachment A*.

Examples of Negotiated Contracts

City of Kirkland (2011 Negotiation)

The City of Kirkland has not undergone a competitive solid waste contract procurement process since 2002. In the fall of 2010, the City Council directed staff to negotiate a new agreement with WMI, an expedited process which was completed by March 2011. The decision to directly negotiate rather than undertake a competitive process was informed, in part, by Kirkland's unique position as a party to the 1991 "4-Way Agreement"

between WMI, Republic Services, Bellevue, and Kirkland. Per the agreement, in the event of an annexation, the hauler under contract in the annexing City was required to purchase the franchise from the incumbent hauler in the annexed, unincorporated area for a price equivalent to six months' worth of service for each residential and commercial customer. The payment made by WMI to Republic Services was in the range of \$1.5 million. Without the agreement in place, Republic Services would have retained the rights to service the annexation area for at least seven years under Washington State law and Kirkland would have had two service providers.

Even though it was a party to the 4-Way Agreement, WMI indicated that it would challenge the enforceability of the agreement due to adverse economic impacts. Under its contract with the City at the time, WMI's wholesale residential rates were heavily subsidized by its commercial rates and revenues. In the annexation area, revenues were predominantly generated by residential customers, not commercial. Due to this rate structure, WMI would have operated at a deficit or at a substantially lower profit margin in the annexation area because there was less commercial revenue to offset the wholesale residential rates. As both parties were highly motivated by circumstances to negotiate, Kirkland opted to negotiate a new rate package due to the fast-approaching annexation in exchange for a suite of new service offerings and to fulfill its desire to have one service provide for all Kirkland residents.

The rate package negotiated with WMI resulted in an average 9.5% wholesale rate increase. Single family residential rates increased by 26%, multifamily/commercial decreased by 8.5%, and roll-off (rectangular containers larger than 10 cubic yards and compactors) rates increased by 20%. The average wholesale rates translated to an across-the-board retail rate increase of 9.7% in 2012. New services included curbside collection of compact fluorescent bulbs; waste collection at several City parks; the installation of 46 "Big Belly" solar garbage compactors and recycling containers in the Kirkland downtown; Christmas tree collection for single family and multifamily residents; and a fleet of compressed natural gas collection vehicles.

City of Kent (2015 Negotiation)

The City of Kent renegotiated its contract with Republic Services in 2015 with the new agreement in effect in April 2016. The overall average rate increase was approximately 1.7% with a 2% increase to the single family sector and a 1.4% increase to multifamily/commercial. The increase percentages were calculated using 2011 container counts so the actual increases may be nominally different. The primary gain from the negotiation was the implementation of a program to reduce recycling and organics contamination.

City of Redmond (2014-2015 Negotiation)

In 2014, the Redmond City Council directed staff to renegotiate its agreement with WMI. Negotiations began in October 2014 and continued through March 2015. Draft rate and service proposals were presented to council during the summer of 2015 and the final contract was approved in August 2015.

The rate package negotiated resulted in an overall average 16.1% rate increase with the highest percentage increase (16.9%) in the single family sector. Redmond was able to

negotiate blue colored commercial and multifamily dumpsters, new provisions for service disruptions due to labor disputes, and a slightly higher administration fee. However, Redmond's negotiation also resulted in several service downgrades to include the mailing of recycling guides every other year instead of annually; a guaranteed annual increase of 2.8% in each of the first four years then increases based on the CPI with a minimum 1.5% in subsequent years; a 12% mark-up on roll-off disposal fees; city-paid multifamily and commercial composting service; a limit on the number of city facilities serviced at no cost; and the opportunity for WMI to take certain recyclables materials off of the accepted list if the markets for those recyclables are poor.

Example of Requests for Bids

City of Sammamish (2015 RFB)

The City of Sammamish chose a RFB process in lieu of an RFP. Prior to the process, the city conducted a statistically-valid community survey to receive input from the community. Further, the city also solicited industry review of the bid documents prior to their release. Assistance in drafting the documents and evaluating the pricing proposals was provided by Epicenter Services.

The bid award to Republic Services resulted in an overall, average rate decrease of 6.3% with multifamily and commercial receiving the largest decrease of 20.9%. New services in the contract include embedded weekly single family yard waste collection; embedded commercial recycling; faster recovery of missed pick-ups; penalties for service disruptions from labor disputes; an expanded list of recyclables; and \$20,000 in annual funding for community benefit.

Examples of Requests for Proposals

City of Bellevue (2013 RFP)

The City of Bellevue conducted its RFP process in 2013. Public input was sought via surveys of commercial and residential groups and presentations to business groups. Potential proposers were also given the opportunity to review and comment on the draft contract documents before the RFP was issued. The city contracted with Epicenter Services to assist with contract document preparation and Sound Resource Management to assist with the rate evaluations and comparisons.

Only two proposals were received – one from Recology Cleanscapes and other from the incumbent hauler, Republic Services. Proposals were evaluated based on price (80%) and qualitative elements (20%) such as customer service, contract implementation and compliance, operations and system design, and the proposer's approach to sustainability. The qualitative elements of the proposals were reviewed by a team consisting of the Utilities Director, Planning Director, Director of Intergovernmental Relations, and the Neighborhood Outreach Manager.

The proposal received from Recology Cleanscapes was rated the highest in terms of price and quality by the evaluation team although no formal staff recommendation was made to the city council. Recology's proposal included a modest overall rate increase of 2.3% versus the Republic Service's rate proposal which was substantially higher at

13.4%. The city council awarded the contract to Republic Services. Services added as a result of the competitive process included unlimited commercial recycling volume, embedded commercial organics, expanded customer service hours, and a customer service center where customers can drop off hard-to-recycle items such as bicycles, car seats, and Styrofoam™.

City of Bothell (2014 RFP)

The City of Bothell first engaged in a negotiation process with WMI but negotiations proved unsuccessful as staff regarded the WMI-proposed rates unattractive. The city council approved the staff recommendation to conduct an RFP process, with Epicenter Services serving as consultant. Bothell chose a 60/40 split between the price and qualitative elements with 20 points available for the proponents' customer service approach and references and another 20 points available for system design and operations. Bothell elected not to solicit public input or conduct a community survey and did not release proposal documents for industry review in advance of the official release of the RFP.

Proposals were received from the incumbent hauler, WMI, and Republic Services and Recology Cleanscapes. Proposals were reviewed by a team consisting of representatives from Finance, the City Manager's Office, Public Works Operations, and Solid Waste staff. The city council eventually concurred with the staff recommendation to award the contract to Recology Cleanscapes but only after prospective service providers were allowed to make presentations to Council on why their firm should be awarded the contract.

The Recology rate proposal resulted in a nominal 0.7% overall average rate increase to Bothell rate payers. New services in the contract included a [Recology Cleanscapes storefront](#) based in Bothell where residents can conveniently recycle bicycles, Styrofoam™ blocks, batteries, compact fluorescent bulbs, electronics, and textiles at no additional cost, 365 days a year. Other services enhancements included the curbside collection of cooking oil, plastic bags, CFL tubes and bulbs, batteries, textiles, small propane canisters, bikes, and bike parts. Recology also offered a local call center.

City of Burien (2013 RFP)

In April 2013, Burien issued its RFP for a new solid waste services contract. Staff received proposals from the incumbent service provider, WMI, as well as Republic Services and Recology Cleanscapes. Staff evaluated the proposals using a point system based on pricing, customer service and references, and system design and operations. Pricing accounted for 60 points and the qualitative elements accounted for 40 points. The proposal evaluation team was similar to other cities and included the Public Works Director, the City Manager and its consultant, Epicenter Services. In July 2013, staff identified CleanScapes as the proponent with the highest rated proposal (97/100 points) and began the final contract negotiation process at council's direction. The Burien City Council asked staff to negotiate a lower service rate, to maintain or improve the current service levels, and increase the franchise fee, if possible.

As a result of the RFP process and negotiations with Recology Cleanscapes, Burien achieved an overall rate reduction of 27.1% with single family residents' bills reduced by an average of 24.6%. The new contract included multiple improvements from the current contract: embedded residential yard waste and food composting, curbside recyclable pick-ups, graffiti removal service, a local customer service center, a retail store, and a once-per-year community curbside clean-up service.

City of Maple Valley (2014 RFP)

City of Maple Valley staff received Council authorization to undertake an RFP process in March 2013. Staff did not conduct a public process to solicit stakeholder input nor did it release pre-proposal documents to the industry for review. The consultant selected to assist with contract and document preparation was Epicenter Services. After a 60 day advertisement period, three proposals were received, including one from the incumbent hauler, WMI and one each from Republic Services and Recology Cleanscapes. The proposal evaluation team consisted of representatives from Public Works, Planning, and the City Clerk's office. The proposals were evaluated with 60 points for price and 40 points for qualitative. As with Bellevue, Bothell, and Burien, staff did not review the pricing proposals until the evaluation of the qualitative elements was completed. The final scoring resulted in Recology Cleanscapes achieving 98 points, Republic Services 84 points, and WMI 79 points.

The contract was awarded to Recology Cleanscapes and Maple Valley's solid waste rates decreased by 13.4% overall with the largest rate decrease provided to single family residents at 13.6%. Maple Valley gained unlimited commercial recycling, an increased franchise fee, on-call snow/ice removal, illegal dumping clean-up, an expanded list of recyclables, and expanded customer service hours.

City of Renton (2015-2016 RFP)

In August 2015, the City of Renton issued its RFP for a new solid waste contract. Four proposals were received with Waste Connections, Recology Cleanscapes, Republic Services, and the incumbent service provider, WMI, each submitting proposals. The proposals were evaluated through a two-step process which included 80 points for the pricing component and 20 points for qualitative elements which included interviews and reference checks.

The Renton process utilized a secondary "best and final offer" competition. The original proposals received differed substantially in their approaches to customer service, billing and accounting, transition to contractor billing, contract compliance, and the contractor/city relationship. Staff attempted to homogenize the approaches and service offerings and allowed all proponents to submit a second "best and final" rate proposal based upon the more uniform package of services.

Waste Management's proposal was the lowest by approximately \$20,000 per month versus the second lowest pricing proposal offered by Republic Services. In the qualitative competition, Recology Cleanscapes received the most points (18) followed by Republic Services (17), Waste Management (7), and Waste Connections (6). Overall, Republic Services achieved the higher combined rating of 95 points versus WMI's second

highest rating of 87 points. The City Council agreed with the staff recommendation and awarded the contract to Republic Services.

The new contract, in effect in February 2017, will provide Renton rate payers with an overall average rate decrease of 9%. New services include contractor billing to replace city utility billing, increased customer service hours, an in-City billing office, and quicker pick-up of missed collections.

City of SeaTac (2013 RFP)

The City of SeaTac began its process in January 2013 with an effective date of the new agreement in June 2014. Three service providers submitted proposals including the incumbent hauler, Republic Services, as well as WMI and Recology Cleanscapes. The proposals were evaluated by a team consisting of the Public Works Director, Assistant Finance Director, and Resource Conservation Coordinator. Assistance in evaluating and scoring the financial aspects of the proposals was provided by Epicenter Services. SeaTac took a similar approach to other cities and based the award of the contract 60% on price and 40% on qualitative elements such as the customer service approach and references (25 points) and system design (15 points).

The contract was awarded to Recology Cleanscapes. As a result of the competitive RFP process, SeaTac's overall, average solid waste rates decreased by 9.7% with single family residents receiving an average decrease of 16.9%. Several new services were added including embedded, unlimited recycling for commercial customers; embedded every-other-week single family yard waste collection; a once-per-year on-call "clean up" service for single family residents; service center drop off for bikes, bike parts, car seats, textiles, and Styrofoam™; and new curbside recycling opportunities for fluorescent bulbs and tubes, batteries, rigid plastics, and motor and cooking oil. Other new services included support for code enforcement cleanups from illegal dumping and a "StreetScapes" service in which Recology provides up to six hours per month toward graffiti removal and illegal dumping remediation.

City of Shoreline (2015 RFP)

Shoreline staff began work on its contract procurement in November of 2014 at the direction of its city council which had expressed its desire for a competitive, transparent procurement process. The public was invited to provide input at public meetings and the draft contract was offered to prospective bidders for comment before the official release of the RFP. Staff contracted with Epicenter Services for consulting and contract document preparation. Republic Services and WMI submitted proposals in addition to a proposal submitted by the incumbent hauler, Recology Cleanscapes. Proposals were reviewed by a team consisting of staff from the City Manager's Office, Public Works Operations, and Environmental Services. The team awarded up to 80 points for price and up to 20 points for qualitative elements such as customer service, contract implementation and compliance, and the prospective service provider's approach to recycling diversion, system design, and operations. The contract was awarded to Recology Cleanscapes.

The *preliminary* overall rate decrease achieved by Shoreline was 12.3% with the multifamily/commercial and residential sectors seeing the largest rate reductions of 33%

and 11.3%, respectively. As of this writing, Shoreline is still negotiating the final rate package with Recology so the final rate decrease may vary slightly. In terms of service enhancements, weekly organics collection has been embedded in the rates for single family residents and the fees for on-call curbside pick-up of bulky waste were lowered substantially. Further, Shoreline is using this process as an impetus to join Kirkland and several other cities as a city which requires all of its single family residents to subscribe to curbside service.

PROCUREMENT PROCESSES SUMMARY

There are several key takeaways from the evaluation of other cities' procurement processes:

- Rates *increased* an average of 9.1% when contracts were renegotiated.
- In the eight competitive procurement processes surveyed, rates *decreased* an average of 9.4%.
- 3 of 11 cities chose to solicit public input through a community survey in advance of their process. Statistically-valid surveys of this type cost in the range of \$20,000. Community surveys can be useful in identifying and prioritizing the existing and potential services most valued by residents and businesses.
- One half of the cities with competitive processes surveyed submitted contract documents for industry review prior to the official issuance of the RFP or RFB. Early industry review can assist staff in refining contract document language and ensuring the requested services can be reasonably provided by all prospective proponents.
- To ensure objectivity, cities with competitive RFP processes used a cross section of staff from different departments to evaluate and rate the qualitative elements of proposals.
- All cities surveyed that issued an RFP or RFB hired consultant(s) to assist with the preparation of contract documents, the evaluation of rates and proposals, and final contract negotiations. The cost for consultant services ranged from \$17,000 up to \$41,000 with an average of \$23,000. The likely cost for an RFP process that includes both industry review and a best and final process will range between \$40k to \$45k.
- The qualitative, customer service elements inherent to RFP processes have become increasingly important to cities. The weight of the qualitative component of an RFP typically varies between 20-40%.
- Advice received from other cities concerning their competitive procurements:
 - Dedicate a lot of time and resources
 - Start the process early and hire a knowledgeable consultant
 - Draft thorough and concise documents and be explicit in explaining the rules
 - Inform proponents to respect the integrity of the process

RECOMMENDED PROCUREMENT ALTERNATIVE FOR KIRKLAND

The solid waste contract procurement alternatives available to Kirkland include the following alternatives.

1. Contract Extension

Under Kirkland's current agreement, the City may, at its sole discretion, extend its contract with WMI up to four years (two, two-year extensions). If the Council were to select this alternative, WMI must be given formal notice of the City's intent to exercise an extension no less than 90 days prior to the expiration of the contract term (by April 1, 2018). The contractor rates paid to WMI would continue to be adjusted by the annual CPI applied only to the collection component of rates and by increases in the King County disposal fee. The current array of collection services would remain the same during the term of the extension(s).

It is also important to note the aforementioned \$1.5m annexation payment from WMI to Republic Services in 2011 and the cost of the 30,000 new trash and recycling carts provided to new annexation area customers was amortized over seven years in the wholesale rates paid by Kirkland to WMI. If the current wholesale rates were not decreased to reflect the end of amortization period, Kirkland rate payers would continue to pay a premium of at least \$215,000/year to WMI or at least \$860,000 over a four year extension period which would be further exacerbated by the annual CPI adjustment.

2. Renegotiation

As has been demonstrated, renegotiated solid waste contracts can result in rate increases and the erosion of some services in favor of the incumbent service provider. The Kirkland contract renegotiation was a unique circumstance as both parties were highly motivated to negotiate and come to an agreement before the looming annexation in June 2011. Renegotiations can place cities in poor bargaining positions, particularly if the negotiation process is delayed or prolonged, which can force an unwanted term extension or an agreement to unfavorable rates and services. Further, it is challenging, as it was during the 2011 contract negotiation, to make an absolute determination that the rates negotiated are reasonable since making an apples-for-apples comparison is difficult.

3. Request for Bids

Only one city (Sammamish) in recent years has opted to undergo an RFB process. Bids are awarded based solely on price and do not include qualitative elements such as customer service, collection system design, approach to sustainability, references, and interviews that are so important, particularly with solid waste and recycling services, to City Councils, staff, residents, and businesses.

4. Request for Proposals (Staff Recommended)

The RFP process is the most popular alternative among cities which have undergone solid waste procurement processes in the past several years. Competitive RFP processes have proven to deliver the largest array of services for the lowest cost. Request for proposals also provide prospective service providers the room to offer creative and innovative service solutions and offerings to Kirkland's residents and businesses.

SERVICE AND CONTRACT PROVISION GOALS

No matter the procurement alternative selected by the City Council, staff will strive to maintain the current suite of service offerings and advantageous provisions in the City's current contract, seek enhancements to service offerings and contract provisions, and solicit pricing on new, elective services as alternatives to the base contract which could be selected or declined by the City Council during the process. The following lists are not exhaustive but are representative of the major services and provisions intended to be maintained, enhanced, or gained through the upcoming procurement process.

Services and Provisions to Maintain

The City of Kirkland's current contract with WMI has been advantageous to the City and supportive of the City's high annual recycling diversion rate. Some of the key services and provisions staff intends to maintain in the next solid waste contract include:

- Embedded recycling and yard waste service for single family residents
- Embedded recycling service for multifamily and commercial customers
- Commercial and multifamily food recycling
- Weekly service for trash, recycling, and yard waste with alternative to change to every-other-week trash and/or recycling service at the City's discretion
- Unlimited multifamily recycling capacity
- Annual contractor mailing of annual single family and multifamily recycling guides
- Trash service to the downtown and neighborhood parks
- Collection of single family and multifamily Christmas trees
- Trash, recycling, and organics service to all City facilities
- Next day recovery of missed pick-ups
- Curbside collection of electronics, motor oil, textiles, and compact fluorescent bulbs
- Establishment of trash and recycling drop-off locations after first week of storm-related service disruption

Services and Provisions to Enhance

There are several services and contract provisions that could be enhanced in the City's next solid waste contract. Those services and provisions include, but are not limited to (in no order of priority):

- Strict and enforceable performance fees for work stoppages and labor disruptions
- Unlimited recycling capacity for commercial customers

- Local customer service center with extended customer service hours (until 7 PM)
- Elimination of dumpster and cart gate opening and roll-out fees
- Cart tagging protocols to address recycling and organics contamination
- City option to require contractor to pilot and implement alternative routing technologies to decrease collection costs ([Enevo](#))
- City option for one-side-of-the-street service (where possible) to decrease collection costs
- Addition of curbside collection of fluorescent tubes, cooking oil, Styrofoam blocks, and propane canisters
- Contractor donation of trash, recycling, and organics service to downtown clean-up and other City special community events
- Improved performance standards and assistance requirements to improve multifamily recycling diversion
- Option to change cart colors to gray for trash and to green for organics
- No fee for extra yard waste after City-declared storm events
- Lower fees for curbside collection of bulky items such as appliances and mattresses
- Final approval of all education and outreach collateral and option for the City to design materials in-house
- Recycling service at all City parks

Recommended Service Alternative 1 (Storefront)

Over the past several years, Solid Waste has implemented several programs to collect hard-to-recycle items. Programs include household alkaline and rechargeable battery, smoke detector, and compact fluorescent bulb collection at several City facilities; semiannual residential recycling collection events where hard-to-recycle items such as car seats, mattresses, appliances, Styrofoam, and electronics are collected; monthly StyroFest events where foam block, packing materials, and plastic bags and film are accepted; and a used cooking oil recycling station at the North Kirkland Community Center.

Some cities have elected in their recent solid waste contract procurement processes to seek pricing on “brick and mortar” storefronts. The stores are open every day except for major holidays and provide customers with more flexible and convenient ways to recycle, pay their bill, or ask recycling questions. One example of this service model is the [Recology Cleanscapes stores](#) in Bothell, Issaquah, and Burien. In Kirkland, a store could be used to entirely replace or augment the aforementioned less convenient service options.

Recommended Service Alternative 2 (Contractor Billing)

The City of Kirkland is one of only three cities in King County that bills its customers for solid waste collection and disposal services. The City of Auburn intends to continue to bill its customers but the City of Renton will transition to contractor-billing in its new agreement with Republic Services starting in July 2016. In 2010, staff explored the costs of transitioning to contractor billing during its contract negotiations with WMI. However, the cost was approximately \$45,000 more per year to have WMI take over the billing responsibility and, consequently, the City opted to continue to bill its customers due not only to the price difference but also due to the customer relationship and

service aspects of in-house versus contractor billing. Staff will provide an evaluation of the pricing and service impacts to accompany the contractor billing proposal alternative.

NEXT STEPS

If the City Council passes the staff recommended resolution directing the City Manager to undergo a request for proposal process, staff anticipates implementing the following tasks over the course of the summer and fall of 2016 with a target of bringing back a staff recommendation on a preferred proposal in the first quarter of 2017. Along the way, staff will keep the City Council apprised of progress with periodic status reports.

June/July 2016 – Procure contract consulting service provider.

August 2016 – Form multidepartment proposal evaluation team to include representatives from the City Manager’s Office, Finance/Utility Billing, and Public Works.

August/September 2016 – Draft contract documents.

September 2016 – Release of contract documents for industry review.

October 2016 – Release of final request for proposal documents for two month period.

Table 1: Solid Waste Rate Comparisons

City	New Contract Start Date	Procurement Process	Previous Contractor	New Contractor	Percentage Increase/Decrease in Rates				Old/New Admin	Old/New Rolloff
					SF	MF/Com*	Rolloff	Overall*		
Kent	4/1/2016	Negotiated	Republic	Republic	2%	1.40%	2.80%	1.70%	.50/.50	?
Kirkland	7/1/2011	Negotiated	WMI	WMI	26.0%	-8.5%	20.0%	9.5%	***	0/15%
Redmond	1/1/2016	Negotiated	WMI	WMI	16.9%	12.3%	11.7%	16.1%	6.0/7.9	0/12%
Average Negotiation Increase								9.1%		
Sammamish	1/1/2017	RFB	Republic/WMI	Republic	-7.7%	20.9%	15.1%	-6.3%	0/0	0/10%
Bellevue	6/29/2014	RFP**	Republic	Republic	13.8%	12.0%	13.8%	13.4%	3.5/3.4	0/0
Bellevue	Rates if highest ranked, lowest cost proposal was selected			Recology	6.1%	-4.2%	-0.9%	2.3%	N/A	N/A
Bothell	1/1/2015	RFP	WMI	Recology	2.5%	2.7%	2.6%	0.7%	7.4/8.0	10%/0
Burien	6/1/2014	RFP	WMI	Recology	-24.6%	-7.9%	-22.5%	-27.1%	4.1/13.1	0/10%
Maple Valley	9/1/2014	RFP	WMI	Recology	-13.6%	-6.5%	-4.5%	-13.4%	1.3/2.3	0/0
Renton****	2/1/2017	RFP	WMI	Republic	-7.3%	-8.0%	-7.4%	-9.0%	***	0/0
SeaTac	6/1/2014	RFP	Republic	Recology	-16.9%	-8.5%	-5.6%	-9.7%	0/5.3	0/10%
Shoreline****	3/1/2017	RFP	Recology	Recology	-11.3%	-33.0%	5.4%	-12.3%	3%/0%	0%/10%
Average Competitive Process Decrease								-9.35%		

Notes:

* Only includes comparative rates for once per week detachable container service; includes adjustments for administrative fees and rolloff disposal mark-ups.

** Bellevue City Council picked lowest ranked qualifications, highest cost proposal which made rates about 9% higher on average than highest ranked qualifications, lowest cost proposal.

***Renton and Kirkland set retail rates and also sets disposal component of retail rates; contractor sets wholesale collection fees and, under Renton's new contract, billing fees.

****New rates and enhancements for Shoreline and Renton based on winning proposals; final rates and enhancements will be determined during contract negotiations.

Bothell -- RFP Procurement
2/25/2016

Residential (Weekly)	RFP Counts	2015 Rates*		After vs. Before Percentage +/-
		Before	After	
20 Gallon Cart (19/20 gallon)	1,109	\$9.52	\$9.77	
32 Gallon Cart (32/35 gallon)	5,061	15.89	16.29	
64 Gallon Cart (60/64 gallon)	1,770	31.45	32.25	
96 Gallon Cart (90/96 gallon)	235	47.20	48.40	
Curbside Organics	All	included	included	
Total/Average	8,175	\$19.29	\$19.78	2.5%

Multifamily/Commercial (Weekly)

32 Gallon Cart (32/35 gallon)	70	\$24.40	\$25.02	
64 Gallon Cart (60/64 gallon)	24	47.62	48.84	
96 Gallon Cart (90/96 gallon)	98	54.29	55.67	
1 Yard	48	80.77	82.83	
1.25/1.5 Yard	13	120.85	123.93	
2 Yard	50	161.43	165.55	
3 Yard	39	242.21	248.39	
4 Yard	57	322.87	331.11	
6 Yard	71	484.30	498.66	
8 Yard	42	657.15	673.92	
1 Yard Compacted	1	147.89	151.67	
1.5 Yard Compacted	0	224.79	230.52	
2 Yard Compacted	1	299.77	307.42	
3 Yard Compacted	0	449.71	461.19	
4 Yard Compacted	1	599.54	614.84	
6 Yard Compacted	5	899.31	922.27	
Total/Average	520	\$225.13	\$231.15	2.7%

Rolloff (Hauls)

Noncompacted MSW				
- 10 Yard Container	0	\$145.54	\$149.26	
- 12 Yard Container	0	145.54	149.26	
- 15 Yard Container	5	145.54	149.26	
- 20 Yard Container	15	145.54	149.26	
- 25 Yard Container	4	145.54	149.26	
- 30 Yard Container	26	145.54	149.26	
- 40 Yard Container	8	145.54	149.26	
Compacted MSW				
- 10 Yard Container	0	\$145.54	\$149.26	
- 15 Yard Container	0	145.54	149.26	
- 20 Yard Container	14	145.54	149.26	
- 25 Yard Container	10	145.54	149.26	
- 30 Yard Container	13	145.54	149.26	
- 40 Yard Container	11	145.54	149.26	
Total/Average	106	\$145.54	\$149.26	2.6%

Annual Cost for Above Listed Services **\$3,482,093** **\$3,572,351** **2.6%**

Adjustments:

1. Administrative fees (7.4% before; 8.0% after) (\$257,675) (\$285,788)

2. Drop Box Disposal Fee **Mark-up** (10% before; 0 after) \$38,189 \$0

Annual Hauler Revenue for Above Services **\$3,262,607** **\$3,286,563** **0.7%**

Contractor

WMI

Recology

* **Note:** Previous contract 2014 rates increased by CPI for comparability with 2015 rates under new contract.

Other Contract Changes

Enhancements:

1. New recycling opportunities: SF curbside -- fluorescent tubes & bulbs, household batteries, plastic bags/film, styrofoam blocks, cooking oil & kitchen grease, small scrap metal, textiles, and small propane cylinders.
2. New recycling opportunities: MF on site -- fluorescent tubes & bulbs, household batteries, plastic bags/film, and styrofoam blocks.
2. New recycling opportunities: in-City service center drop-off for fluorescent tubes & bulbs, bicycles & parts, child car seats, hard-cover books; small propane cylinders, styrofoam blocks, household batteries, used cooking oil, textiles, small appliances & electronics, and used computers & accessories.
3. SF/MF in-City service center customer account assistance and retail store.
4. SF/MF/COM low emissions vehicles.
5. SF organics cart cleaning once per year at no charge.

Downgrades:

None.

Burien -- RFP Procurement
2/25/2016

Residential (Weekly)	RFP Counts	2014 Rates		After vs. Before Percentage +/-
		Before	After	
10 Gallon Micro-Can (10/12 gallon)	9	\$16.01	\$14.66	
20 Gallon Cart (19/20 gallon)	1,730	17.15	15.81	
32 Gallon Cart (32/35 gallon)	5,483	23.21	21.96	
45 Gallon Cart	0		26.65	
64 Gallon Cart (60/64 gallon)	1,660	32.70	31.34	
96 Gallon Cart (90/96 gallon)	367	42.05	40.68	
Curbside Organics	5,275	11.00	included	
Total/Average	9,249	\$30.79	\$23.23	-24.6%

Multifamily/Commercial (Weekly)

20 Gallon Cart	46	\$15.08	\$14.82	
32 Gallon Cart (32/35 gallon)	47	18.73	17.18	
64 Gallon Cart (60/64 gallon)	40	30.98	23.79	
96 Gallon Cart (90/96 gallon)	117	40.42	29.91	
1 Yard	154	83.06	75.97	
1.25/1.5 Yard	58	114.45	109.40	
2 Yard	131	144.63	139.79	
3 Yard	55	212.73	200.57	
4 Yard	84	264.09	243.13	
6 Yard	40	369.37	346.47	
8 Yard	30	470.35	437.66	
1 Yard Compacted	0		156.55	
1.5 Yard Compacted	0		229.81	
2 Yard Compacted	2	448.77	307.63	
3 Yard Compacted	1	665.86	450.51	
4 Yard Compacted	1	877.34	571.52	
6 Yard Compacted	0	1300.76	835.41	
Total/Average	806	\$137.88	\$127.02	-7.9%

Rolloff (Hauls)

Noncompacted MSW				
- 10 Yard Container	0	\$156.50	\$118.66	
- 15 Yard Container	0	156.50	118.66	
- 20 Yard Container	8	156.50	118.66	
- 25 Yard Container	1	156.50	118.66	
- 30 Yard Container	9	156.50	118.66	
- 40 Yard Container	0	156.50	118.66	
Compacted MSW				
- 10 Yard Container	0	\$186.44	\$147.48	
- 20 Yard Container	5	186.44	147.48	
- 25 Yard Container	1	186.44	147.48	
- 30 Yard Container	9	186.44	147.48	
- 40 Yard Container	1	186.44	147.48	
Total/Average	34	\$170.62	\$132.25	-22.5%

Annual Cost for Above Listed Services **\$4,819,885** **\$3,859,822** **-19.9%**

Adjustments:

1. Administrative fees (4.1%before; 13.1% after)	(\$197,615)	(\$505,637)	
2. Drop Box Disposal Fee Mark-up (0 before; 10% after)	\$0	\$13,238	

Annual Hauler Revenue for Above Services **\$4,622,270** **\$3,367,423** **-27.1%**

Contractor **WMI** **Recology**

Other Contract Changes

Enhancements:

1. Embedded SF weekly organics collection.
2. COM rolloff distance fee eliminated.
3. SF 45 gallon garbage container available.
5. Substantially lower on-call bulky waste collection fees.
6. New recycling opportunities: SF/MF -- fluorescent tubes and bulbs, household batteries, rigid plastics, & used cooking oil (FOG). COM -- rigid plastics.
7. SF/MF/COM in-City customer service center and retail store.
8. SF once per year free clean-up collection opportunity.
9. New recycling opportunities: Burien service center drop-off for bicycles & parts, child car seats, textiles; hard-cover books; small propane cylinders, styrofoam blocks & all curbside recyclables;
10. Low emissions collection vehicles.

Downgrades:

None.

Kent -- Negotiated Procurement
3/17/2016

Residential (Weekly)	2010-2011 Residential Counts	2016 Rates		After vs. Before Percentage +/-
		Prior to 4/1	Beginning 4/1	
13 Gallon Micro-Cart	7	\$ 5.14	\$ 5.24	
20 Gallon Cart	611	\$ 10.27	\$ 10.47	
32 Gallon Cart	9,414	\$ 17.09	\$ 17.43	
45 Gallon Cart	-	\$ 24.76	\$ 25.26	
64 Gallon Cart	4,199	\$ 37.47	\$ 38.23	
96 Gallon Cart	949	\$ 56.20	\$ 57.35	
Curbside Organics (EOW)	All	included	included	
Total/Average	15,180	\$24.89	\$25.39	2.0%

Multifamily/Commercial (Weekly)*	2010-2011 Residential Counts	Prior to 4/1	Beginning 4/1	After vs. Before Percentage +/-
32 Gallon Cart	43	\$ 13.18	\$ 13.41	
45 Gallon Cart	-	\$ 19.08	\$ 19.42	
64 Gallon Cart	40	\$ 28.86	\$ 29.39	
96 Gallon Cart	201	\$ 43.28	\$ 44.07	
1 Yard	147	\$ 63.29	\$ 64.28	
1.25/1.5 Yard	35	\$ 87.73	\$ 89.02	
2 Yard	150	\$ 112.15	\$ 113.73	
3 Yard	133	\$ 161.01	\$ 163.18	
4 Yard	218	\$ 209.86	\$ 212.62	
6 Yard	122	\$ 307.56	\$ 311.51	
8 Yard	91	\$ 405.27	\$ 410.40	
1 Yard Compacted	-	\$ 237.60	\$ 241.56	
1.5 Yard Compacted	-	\$ 295.92	\$ 300.19	
2 Yard Compacted	-	\$ 386.21	\$ 391.67	
3 Yard Compacted	-	\$ 496.36	\$ 502.27	
4 Yard Compacted	3	\$ 596.04	\$ 602.10	
6 Yard Compacted	-	\$ 770.08	\$ 778.34	
Total/Average	1,183	\$154.67	\$156.76	1.4%

Rolloff (Hauls)	2010-2011 Residential Counts	Prior to 4/1	Beginning 4/1	After vs. Before Percentage +/-
Noncompacted MSW				
- 15 Yard Container	2	\$ 143.49	\$ 147.45	
- 20 Yard Container	90	\$ 143.49	\$ 147.45	
- 25 Yard Container	36	\$ 143.49	\$ 147.45	
- 30 Yard Container	132	\$ 143.49	\$ 147.45	
- 40 Yard Container	68	\$ 143.49	\$ 147.45	
Compacted MSW				
- 15 Yard Container	10	\$ 172.76	\$ 177.53	
- 20 Yard Container	20	\$ 172.76	\$ 177.53	
- 25 Yard Container	32	\$ 172.76	\$ 177.53	
- 30 Yard Container	50	\$ 172.76	\$ 177.53	
- 40 Yard Container	42	\$ 172.76	\$ 177.53	
Total/Average	482	\$152.84	\$157.06	2.8%

Note: Rolloff hauls assumed to average 2 per

Annual Cost for Above Listed Residential Services \$7,614,087 \$7,759,460 **1.9%**

Adjustments:

1. Administrative fees (2.8% increase)		(\$12,850)		Based on estimated administrative fee = 0.5%
2. Drop Box Disposal Fee Mark-up (? before; ? after)	?	?		
Annual Hauler Revenue for Above Services	\$7,614,087	\$7,746,611	1.7%	

Contractor Republic Republic

* Multifamily cart customer fee includes on-site recycling.

Other Contract Changes

Enhancements:

1. Notices and then penalties for recycling or organics contamination.
2. May negotiate to embed recycling for commercial carts/containers and for multifamily containers later in 2016.

Downgrades:

None

Maple Valley -- RFP Procurement
2/25/2016

Residential (Weekly)	RFP Counts	2014 Rates		After vs. Before Percentage +/-
		Before*	After	
10 Gallon Micro-Can (10/12 gallon)	-		\$ 8.40	
20 Gallon Cart (19/20 gallon)	518	\$ 12.02	\$ 10.50	
32 Gallon Cart (32/35 gallon)	3,537	\$ 16.54	\$ 14.00	
45 Gallon Cart	-		\$ 16.55	
64 Gallon Cart (60/64 gallon)	2,089	\$ 25.66	\$ 21.00	
96 Gallon Cart (90/96 gallon)	386	\$ 35.17	\$ 28.00	
Curbside Organics (EOW)				
32 Gallon Cart	142	\$ 7.04	\$ 7.16	
64 Gallon Cart	245	\$ 7.47	\$ 7.62	
96 Gallon Cart	3,906	\$ 8.22	\$ 8.08	
Total/Average	6,530	\$25.55	\$22.06	-13.6%

Multifamily/Commercial (Weekly)

20 Gallon Mini-can	-	\$ 14.41	\$ 13.47	
32 Gallon Cart (32/35 gallon)	16	\$ 19.87	\$ 18.57	
64 Gallon Cart (60/64 gallon)	10	\$ 30.83	\$ 28.82	
96 Gallon Cart (90/96 gallon)	23	\$ 42.38	\$ 39.61	
1 Yard	12	\$ 90.53	\$ 84.61	
1.25/1.5 Yard	11	\$ 127.94	\$ 119.58	
2 Yard	18	\$ 161.44	\$ 150.89	
3 Yard	24	\$ 238.68	\$ 223.08	
4 Yard	15	\$ 311.99	\$ 291.60	
6 Yard	9	\$ 486.19	\$ 454.42	
8 Yard	7	\$ 639.15	\$ 597.38	
1 Yard Compacted	-	\$ 479.39	\$ 448.06	
1.5 Yard Compacted	-	\$ 566.32	\$ 529.31	
2 Yard Compacted	-	\$ 653.26	\$ 610.57	
3 Yard Compacted	-	\$ 827.30	\$ 773.24	
4 Yard Compacted	-	\$ 1,001.28	\$ 935.85	
6 Yard Compacted	-	\$ 1,501.02	\$ 1,402.93	
Total/Average	145	\$181.09	\$169.26	-6.5%

Rolloff (Hauls)

Noncompacted MSW				
- 10 Yard Container	-	\$ 141.11	\$ 134.72	
- 15 Yard Container	-	\$ 156.34	\$ 149.26	
- 20 Yard Container	-	\$ 171.56	\$ 163.80	
- 25 Yard Container	-		\$ 182.80	
- 30 Yard Container	-	\$ 210.87	\$ 201.33	
- 40 Yard Container	-	\$ 241.30	\$ 230.38	
Compacted MSW				
- 10 Yard Container	-	\$ 204.78	\$ 195.51	
- 20 Yard Container	2	\$ 265.67	\$ 253.65	
- 25 Yard Container	5	\$ 307.74	\$ 293.81	
- 30 Yard Container	3	\$ 348.70	\$ 332.92	
- 40 Yard Container	1	\$ 409.59	\$ 391.05	
Total/Average	10	\$321.56	\$307.00	-4.5%

Annual Cost for Above Listed Services \$2,356,599 \$2,061,023 **-12.5%**

Adjustments:

1. Administrative fees (1.3% before; 2.3% after)	(\$30,636)	(\$47,404)	
2. Drop Box Disposal Fee Mark-up (0 before; 0 after)	<u>\$0</u>	<u>\$0</u>	
Annual Hauler Revenue for Above Services	\$2,325,963	\$2,013,620	-13.4%

Contractor

WMI Recology

* **Note:** 2014 before rates for 32 gallon and 64 gallon cart service estimated based on before vs. after rates for 96 cart.

Other Contract Changes

Enhancements:

1. Unlimited embedded commercial recycling.
2. SF 10-gallon micro-can and 45-gallon cart.
3. Compressed natural gas (CNG) collection fleet
4. Increase in types of curbside materials collected.
5. Extended customer service hours.
6. Enhanced website functionality.
7. Dedicated phone line and customer service representatives.
8. Special events collection at no charge.
9. Free commercial waste audits upon request.
10. Annual contact with all commercial and multifamily customers.
11. Substantial education & outreach support.
12. Substantially lower on-call bulky waste collection fees.

Downgrades:

None

Redmond -- Negotiated Procurement
2/25/2016

Residential (Weekly)	RFP Counts	2016 Rates		After vs. Before Percentage +/-
		Before*	After	
10 Gallon Micro-Can (10/12 gallon)	68	\$ 7.23	\$ 7.00	
20 Gallon Cart (19/20 gallon)	1,315	\$ 9.21	\$ 11.00	
32 Gallon Cart (32/35 gallon)	7,499	\$ 13.05	\$ 15.40	
64 Gallon Cart (60/64 gallon)	2,243	\$ 25.93	\$ 30.08	
96 Gallon Cart (90/96 gallon)	391	\$ 41.35	\$ 46.50	
Curbside Organics	All	included	included	
Total/Average	11,516	\$16.05	\$18.76	16.9%

Multifamily/Commercial (Weekly)

32 Gallon Cart (32/35 gallon)	133	\$ 19.83	\$ 22.22	
64 Gallon Cart (60/64 gallon)	32	\$ 40.07	\$ 44.92	
96 Gallon Cart (90/96 gallon)	122	\$ 45.36	\$ 50.90	
1 Yard	72	\$ 98.62	\$ 110.59	
1.25/1.5 Yard	29	\$ 139.75	\$ 156.75	
2 Yard	89	\$ 170.58	\$ 191.40	
3 Yard	78	\$ 239.69	\$ 269.03	
4 Yard	145	\$ 297.31	\$ 333.82	
6 Yard	97	\$ 374.87	\$ 421.32	
8 Yard	57	\$ 473.76	\$ 532.65	
1 Yard Compacted		\$ 179.24	\$ 201.59	
1.5 Yard Compacted		\$ 249.20	\$ 280.42	
2 Yard Compacted	11	\$ 319.20	\$ 359.30	
3 Yard Compacted	16	\$ 459.19	\$ 517.05	
4 Yard Compacted		\$ 602.29	\$ 678.28	
6 Yard Compacted	8	\$ 894.84	\$ 1,007.81	
8 Yard Compacted		\$ 1,174.82	\$ 1,323.31	
Total/Average	889	\$201.33	\$226.15	12.3%

Rolloff (Hauls)

Noncompacted MSW				
- 10 Yard Container		\$ 88.92	\$ 99.32	
- 15 Yard Container		\$ 96.59	\$ 107.89	
- 20 Yard Container	10	\$ 111.10	\$ 124.09	
- 25 Yard Container	15	\$ 122.83	\$ 137.20	
- 30 Yard Container	52	\$ 134.56	\$ 150.29	
- 40 Yard Container	12	\$ 162.22	\$ 181.19	
Compacted MSW				
- 10 Yard Container		\$ 138.00	\$ 154.14	
- 15 Yard Container	9	\$ 143.33	\$ 160.09	
- 20 Yard Container	40	\$ 148.62	\$ 166.00	
- 25 Yard Container	67	\$ 164.56	\$ 183.80	
- 30 Yard Container	41	\$ 180.49	\$ 201.59	
- 40 Yard Container	11	\$ 191.09	\$ 213.44	
Total/Average	257	\$154.32	\$172.36	11.7%

Annual Cost for Above Listed Services **\$4,841,057** **\$5,537,082** **14.4%**

Adjustments:

1. Administrative fees (6.0% before; 7.9% after)	(\$290,463)	(\$437,429)	
2. Drop Box Disposal Fee Mark-up (0 before; 12% after)	\$0	\$76,560	
Annual Hauler Revenue for Above Services	\$4,550,593	\$5,176,213	13.7%
Add back 1.9% fee to cover City-paid MF/COM organics	\$0	\$105,205	
Net Adjusted Cost	\$4,550,593	\$5,281,417	16.1%

Contractor

WMI WMI

* **Note:** 2015 before rates service component increased by CPI for comparability with negotiated 2016 rates.

Other Contract Changes

Enhancements:

1. Residential organics weekly all year.
2. 20-gallon cart as residential organics service option.
3. COM/MF recycling dumpsters painted blue.
4. COM/MF customers embedded recycling twice garbage volume (before 1.5 times garbage volume).
5. New contract section on service disruptions due to labor negotiations.
6. CPI increase limited to 6% (8% before).
7. Administrative fee 7.9% (before 6%) to cover costs of City paid COM/MF food waste collection (before contractor paid).

Downgrades:

1. Mailing recycling guides every other year (instead of annual).
2. Service component of rates up 2.8% for each of first 4 years after 2016, then at CPI with 1.5% minimum. (before at CPI with minimum 0%).
3. 12% mark-up to rolloff garbage disposal fees (before no mark-up).
4. City pays for COM/MF food waste collection (before paid by contractor).
5. Limit to number of city facilities serviced at no charge (before no limit.)

Renton -- RFP Procurement
2/25/2016

Residential (EOW)

	RFP Counts	2016 Collection Fees*		After vs. Before Percentage +/-
		Before	After*	
20 Gallon Cart (19/20 gallon)	2,058	\$ 18.63	\$ 17.33	
35 Gallon Cart (32/35 gallon)	9,170	\$ 19.64	\$ 18.27	
45 Gallon Cart (32/35 gallon)	1,715	\$ 20.15	\$ 18.54	
64 Gallon Cart (60/64 gallon)	3,659	\$ 20.86	\$ 19.20	
96 Gallon Cart (90/96 gallon)	890	\$ 22.86	\$ 21.04	
Curbside Organics (weekly)	All	included	included	
Total/Average	17,492	\$19.99	\$18.52	-7.3%

Multifamily/Commercial (Weekly)

20 Gallon Cart (19/20 gallon)	10	\$ 12.23	\$ 11.25	
32 Gallon Cart (32/35 gallon)	232	\$ 12.23	\$ 11.25	
45 Gallon Cart	-		\$ 13.56	
64 Gallon Cart (60/64 gallon)	75	\$ 14.73	\$ 13.56	
96 Gallon Cart (90/96 gallon)	142	\$ 17.60	\$ 16.20	
1 Yard	177	\$ 42.07	\$ 38.72	
1.25/1.5 Yard	62	\$ 58.67	\$ 53.99	
2 Yard	166	\$ 73.02	\$ 67.19	
3 Yard	113	\$ 104.39	\$ 96.05	
4 Yard	184	\$ 135.54	\$ 124.71	
6 Yard	110	\$ 194.34	\$ 178.81	
8 Yard	103	\$ 251.72	\$ 231.61	
1 Yard Compacted	-	\$ 91.37	\$ 87.33	
1.5 Yard Compacted	-	\$ 129.89	\$ 124.14	
2 Yard Compacted	14	\$ 154.07	\$ 141.77	
3 Yard Compacted	14	\$ 225.82	\$ 207.78	
4 Yard Compacted	8	\$ 298.08	\$ 274.27	
6 Yard Compacted	7	\$ 441.45	\$ 406.18	
Total/Average	1,417	\$87.93	\$80.91	-8.0%

Rolloff (Hauls)

Noncompacted MSW				
- 10 Yard Container	-	\$ 150.68	\$ 165.00	
- 15 Yard Container	2	\$ 159.02	\$ 165.00	
- 20 Yard Container	97	\$ 167.35	\$ 165.00	
- 25 Yard Container	-		\$ 165.00	
- 30 Yard Container	35	\$ 184.04	\$ 175.00	
- 40 Yard Container	205	\$ 200.70	\$ 175.00	
Compacted MSW				
- 10 Yard Container	2	\$ 170.78	\$ 180.00	
- 15 Yard Container	-		\$ 180.00	
- 20 Yard Container	82	\$ 187.45	\$ 180.00	
- 25 Yard Container	-		\$ 180.00	
- 30 Yard Container	112	\$ 204.13	\$ 195.00	
- 40 Yard Container	17	\$ 220.82	\$ 195.00	
Total/Average	552	\$192.87	\$178.64	-7.4%

Annual Cost for Above Listed Services (after fees include billing)

\$6,968,828 \$6,446,834 -7.5%

Adjustments:

1. Administrative fees (0 before; 0 after)	\$0	\$0	
2. Drop Box Disposal Fee Mark-up (0 before; 0 after)	<u>\$0</u>	<u>\$0</u>	
Annual Hauler Revenue for Above Services (after includes billing)	\$6,968,828	\$6,446,834	-7.5%
Adjust for estimated City Utility billing costs not included in current contract fees	<u>\$117,000</u>	<u>\$0</u>	
Net Adjusted Collection & Billing Cost for Above Services	\$7,085,828	\$6,446,834	-9.0%

Contractor

WMI Republic

* **Notes:** Fees listed above reflect contractor charges for collection, and do not include disposal costs. New contract fees include billing. New contract fees shown above and enhancements shown below are based on winning proposal; final rates and enhancements will be determined during contract negotiations.

Other Contract Changes

Enhancements:

1. Contractor billing replaces City Utility billing.
2. Increased customer service hours.
3. In-city billing office.
4. Quicker pickup of missed collections.

Downgrades:

Sammamish -- RFB Procurement
2/25/2016

Residential (Weekly)	RFP Counts	2016 Rates*		After vs. Before Percentage +/-
		Before	After	
10 Gallon Micro-Can (10/12 gallon)			\$25.74	
20 Gallon Cart (19/20 gallon)	1,175	\$20.03	27.57	
32 Gallon Cart (32/35 gallon)	8,067	25.47	31.35	
45 Gallon Cart			34.66	
64 Gallon Cart (60/64 gallon)	4,032	34.83	39.34	
96 Gallon Cart (90/96 gallon)	1,032	44.11	46.50	
Curbside Organics	9,085	12.97	included	
Total/Average	14,306	\$37.24	\$34.38	-7.7%

Multifamily/Commercial (Weekly)

20 Gallon Cart	0		\$26.24	
32 Gallon Cart (32/35 gallon)	2		30.18	
45 Gallon Cart	0		33.65	
64 Gallon Cart (60/64 gallon)	3		38.54	
96 Gallon Cart (90/96 gallon)	10		45.98	
1 Yard	11		133.10	
1.25/1.5 Yard	1		162.15	
2 Yard	15	142.10	191.20	
3 Yard	5		234.29	
4 Yard	17	243.53	277.39	
6 Yard	7		363.59	
8 Yard	6		449.79	
1 Yard Compacted	0		293.34	
1.5 Yard Compacted	0		357.52	
2 Yard Compacted	2		421.69	
3 Yard Compacted	0		535.03	
4 Yard Compacted	0		648.37	
6 Yard Compacted	1		875.06	
Total/Average	80	\$195.98	\$236.99	20.9%

Rolloff (Hauls)

Noncompacted MSW				
- 10 Yard Container	0		\$145.41	
- 15 Yard Container	0		147.31	
- 20 Yard Container	19	130.74	150.49	
- 25 Yard Container	2		153.67	
- 30 Yard Container	2		156.84	
- 40 Yard Container	6		163.22	
Compacted MSW				
- 10 Yard Container	0		\$194.10	
- 20 Yard Container	16		219.53	
- 25 Yard Container	0		232.24	
- 30 Yard Container	5		303.98	
- 40 Yard Container	0		329.38	
Total/Average	50	\$130.74	\$150.49	15.1%

Annual Cost for Above Listed Services **\$6,659,221** **\$6,219,725** **-6.6%**

Adjustments:

1. Administrative fees (none)	\$0	\$0	
2. Drop Box Disposal Fee Mark-up (0 before; 10% after)	\$0	\$19,468	
Annual Hauler Revenue for Above Services	\$6,659,221	\$6,239,192	-6.3%

Contractor **Republic/WMI** **Republic**

* **Note:** 2016 before rates based on average of Republic and WMI 2015 WUTC rates where available.

Other Contract Changes

Enhancements:

1. Embedded SF weekly organics collection.
2. COM embedded recycling.
3. COM rolloff distance fee eliminated.
4. SF/MF/COM 45 gallon garbage container available.
5. SF 10 gallon garbage container available.
6. Quicker recovery of missed pickups.
7. Penalties for labor disruption.
8. \$20,000 annual funding for community benefit.

Downgrades:

1. Use of older trucks allowed, same as previous WUTC certificated services.

SeaTac -- RFP Procurement
2/25/2016

Residential (Weekly)	RFP Counts	2014 Rates		After vs. Before Percentage +/-
		Before	After	
10 Gallon Micro-Can (10/12 gallon)	14	\$11.46	\$11.27	
20 Gallon Cart (19/20 gallon)	331	13.70	13.50	
32 Gallon Cart (32/35 gallon)	2,310	18.48	17.75	
45 Gallon Cart	0		20.55	
64 Gallon Cart (60/64 gallon)	863	24.30	24.42	
96 Gallon Cart (90/96 gallon)	242	34.21	35.09	
Curbside Organics (EOW)				
32 Gallon Cart	174	8.28	included	
64 Gallon Cart	51	9.34	included	
96 Gallon Cart	1,118	10.39	included	
Total/Average	3,760	\$24.07	\$20.00	-16.9%

Multifamily/Commercial (Weekly)

20 Gallon Mini-Can	0		\$9.89	
32 Gallon Can	0	\$18.04		
32 Gallon Cart (32/35 gallon)	2	19.39	12.24	
64 Gallon Cart (60/64 gallon)	6	27.52	19.51	
96 Gallon Cart (90/96 gallon)	24	37.02	26.27	
1 Yard	35	83.16	80.71	
1.25/1.5 Yard	12	111.40	105.40	
2 Yard	64	144.05	134.15	
3 Yard	36	204.28	189.07	
4 Yard	98	266.10	244.14	
6 Yard	46	375.53	342.97	
8 Yard	46	490.12	447.58	
1 Yard Compacted	0	417.43	258.53	
1.5 Yard Compacted	0		370.54	
2 Yard Compacted	0	635.71	471.02	
3 Yard Compacted	2	847.73	672.01	
4 Yard Compacted	0	1120.25	803.90	
6 Yard Compacted	0	1666.68	1136.77	
Total/Average	371	\$241.26	\$220.72	-8.5%

Rolloff (Hauls)

Noncompacted MSW				
- 10 Yard Container	0	\$101.43	\$101.07	
- 12 Yard Container	0	101.43	101.07	
- 15 Yard Container	0	101.43	101.07	
- 20 Yard Container	14	101.43	101.07	
- 25 Yard Container	9	101.43	101.07	
- 30 Yard Container	46	101.43	101.07	
- 40 Yard Container	7	101.43	101.07	
Compacted MSW				
- 10 Yard Container	0	\$136.02	\$126.07	
- 15 Yard Container	1	136.02	126.07	
- 20 Yard Container	2	136.02	126.07	
- 25 Yard Container	30	136.02	126.07	
- 30 Yard Container	142	136.02	126.07	
- 40 Yard Container	2	136.02	126.07	
Total/Average	253	\$125.67	\$118.59	-5.6%

Annual Cost for Above Listed Services **\$2,541,818** **\$2,245,196** **-11.7%**

Adjustments:

1. Administrative fees (0 before; 5.3% after)	\$0	(\$118,995)	
2. Drop Box Disposal Fee Mark-up (0 before; 10% after)	\$0	<u>\$169,848</u>	
Annual Hauler Revenue for Above Services	\$2,541,818	\$2,296,049	-9.7%

Contractor **Republic** **Recology**

Other Contract Changes

Enhancements:

1. Embedded MF/COM unlimited recycling.
2. Embedded EOW SF organics collection.
2. SF once per year on-call no charge clean-up collection.
3. SF 45 gallon garbage container available.
4. SF/MF/COM 7-day a week staffed call center.
5. SF/MF/COM low emissions vehicles.
6. SF/MF/COM on-line account management and electronic billing.
7. New recycling opportunities: Nearby Burien service center drop-off for bicycles & parts, child car seats, textiles; hard-cover books; small propane cylinders, styrofoam blocks & all curbside recyclables;
8. New recycling opportunities: SF/MF -- fluorescent tubes and bulbs, household batteries, rigid plastics, motor oil & used cooking oil (FOG). COM -- rigid plastics.
9. Cart/detachable container rental fees included in garbage collection fees.

Downgrades:

None.

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Kathy Brown, Public Works Director							
Description of Request							
Funding of up to \$45,000 for consulting services for Solid Waste Collection services proposal process from Solid Waste reserves.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$45,000 from Solid Waste reserves. These reserves are sufficient to fund this request.							
Recommended Funding Source(s)							
	Description	2016 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2016 End Balance	2016 Target
	<i>Reserve</i>	Solid Waste Reserves	1,479,240	0	0	45,000	1,434,240
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	June 13, 2016	

RESOLUTION R-5197

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO PROCURE SOLID WASTE HAULER SERVICES THROUGH THE USE OF A QUALITATIVE, COST-BASED COMPETITIVE REQUEST FOR PROPOSALS PROCESS.

1 WHEREAS, the City of Kirkland's existing solid waste collection
2 contract expires on June 30, 2018; and
3

4 WHEREAS, the City of Kirkland has not undertaken a competitive
5 procurement process for solid waste collection services since 2002; and
6

7 WHEREAS, the City Council believes that a culture of continuous
8 improvement is fundamental to the City Council's responsibility as good
9 stewards of public funds and one of the City Council's operational values
10 is to provide public services in the most efficient manner possible to
11 maximize the public's return on investment; and
12

13 WHEREAS, Kirkland residents value transparent, fair, and cost-
14 effective public contracting processes;
15

16 NOW, THEREFORE, be it resolved by the City Council of the City
17 of Kirkland as follows:
18

19 Section 1. The City Manager is authorized and directed to
20 procure solid waste hauler services through the use of a qualitative,
21 cost-based competitive request for proposals process.
22

23 Section 2. The City Manager shall use prudent measures to
24 ensure proponents are competent and agree to a collection contract with
25 competitive rates that includes provisions supporting high levels of
26 service delivery consistent with the expectations of City residents and
27 businesses.
28

29 Section 3. Up to \$45,000 of Solid Waste Utility Fund cash
30 reserves are authorized for use by the City Manager to contract for
31 consulting services to support the request for proposals process.
32

33 Passed by majority vote of the Kirkland City Council in open
34 meeting this ____ day of _____, 2016.
35

36 Signed in authentication thereof this ____ day of _____,
37 2016.

MAYOR

Attest:

City Clerk