



# Trash and Recycling Bid Recommendation Follow Up Information

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Commerce City Public Works  
October 21, 2019

# Background

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- Waste Management currently has the contract for residential trash pickup
  - Effective 1 March 2015; expiring 31 December 2019
- Procurement policy calls for bidding contracts every 5 years unless an exception is made
- On 7 January 2019, Staff requested direction from Council on how to respond to an offer to extend current contract for another year
  - Council Decision - request bids this year

# General Timeline

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- 8 July - Study Session - Curbside Refuse Collection RFP
- 7 August – RFP Published
- 23 September - Study Session - RFP Bid Results (Masked)
- 23 September - Study Session - Supplemental Presentation
- 7 October - Council Meeting - Staff Recommendation(s)
  - Council requested Staff obtain bid for weekly recycling (Bid Alt #1) from recommended vendor



# Study Session – 8 July 2019

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- On 8 July 2019 Staff reviewed current program elements & resident feedback regarding trash service w/Council
- Council guidance to Staff:
  - Price out providing two trash totes
  - Provide service options (including weekly recycling)
  - Keep the term at 5 years (some support for 7 year option)
  - Allow residents to opt in or out of recycling
  - Ensure a good Communication Program
  - Continue service to owner-occupied units
- Based on Council guidance, Staff drafted RFP

# RFP Bid Elements

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- On 7 August 2019 RFP published
- Contractor to provide:
  - One (1) 96-gallon trash tote
  - One (1) 96-gallon recycling tote
    - Or second 96-gallon trash tote if the residence opts out of recycling program
  - Option for residents to purchase additional trash or recycling totes
  - Once every two weeks recycling pickup
    - Bid Alternate option for weekly recycling pickup
  - Garbage & recycling collection at 8 City facilities
  - 500 residences served by dumpster
  - Minimum of 4 annual large item pickups
  - Assistance w/comprehensive communication program

# RFP Responses

- On 23 September 2019 Staff reviewed process and bid results w/Council – Respondents names masked
  - RFP advertised 7 August / Bids due 3 September
  - 2018 Cost: \$1,817,238 / 2019 Est. Cost: \$2,088,067
    - Current monthly cost per unit: \$10.77
  - 2020 Projected Cost - \$2,856,172
- Lowest Qualified Base Bid for 2020: \$2,808,956
  - Base Bid cost per unit: \$13.10 (Est. & actual cost depends on number of new units)
- Lowest Qualified Base Bidder did not bid on Bid Alt #1

# Bid Alt #1 - Weekly Recycling

- Why did Republic Services not bid on weekly recycling?
  - Low recycling participation by residents
  - High contamination rate
- Based on Republic's experience – it would be of very little value to offer weekly recycling before addressing the above two issues
  - Weekly recycling would add \$3.80 per unit
    - From \$13.10 per unit to \$16.90 per unit
  - Lowest Qualified Bid Alt #1 for 2020 - \$3,594,415
    - An annual increase of at least \$785,460 over Base Bid



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# Bid Results

	Bidder #1 Base Bid	Bidder #1 Bid Alt #1	Bidder #2 Base Bid (Republic Services)	Bidder #2 Bid Alt #1 (Republic Services)	Bidder #3 Base Bid	Bidder #3 Bid Alt #1
Bid Price/ Unit/ Month	\$30.00	\$38.00 (Increase of \$8.00/unit)	<b>\$13.10</b>	<b>\$16.90 (Increase of \$3.80/unit)</b>	\$16.98	\$21.72 (Increase of \$4.74/unit)
Dumpster Service	\$110.00	\$110.00	<b>\$85.00</b>	<b>\$85.00</b>	\$56.50	\$56.50
Estimated Price per Year for Residential Curbside Refuse Removal (totes only)	\$6,201,000	\$7,854,600	<b>\$2,707,770.00</b>	<b>\$3,493,230</b>	\$3,509,766	\$4,489,524
Estimated Price per Year for Dumpster Service	\$21,120.00	\$21,120	<b>\$101,185</b>	<b>\$101,185</b>	\$10,848	\$10,848
Estimated 2020 total cost	\$6,222,120	\$7,875,720	<b>\$2,808,955</b>	<b>\$3,594,415</b>	\$3,520,614	\$4,500,372



# Staff Recommendations

- Select Republic Services Base Bid for a 5 year contract.
- DO NOT select Bid Alternate #1 (weekly recycling pickup) for the following reasons:
  - No evidence to indicate weekly recycling pickup would reduce contamination rates (non-recyclables mixed in with recyclables) or increase diversion rates (amount of overall refuse diverted to a recycling center for actual recycling)
    - Vast majority of contamination due to excess trash in recycling totes versus insufficient recycling opportunities/capacities
    - Historic diversion rate for City is about 15%. Once contamination rate is applied, the actual net diversion rate is about 11% of all refuse collected
    - In 2018, the cost per ton to collect/process recycling was over 3 times the cost per ton to collect/process garbage. The industry cost of processing recycling rose significantly in 2019 and is likely to continue to rise in 2020 and beyond.

## Staff Recommendations (cont.)

- DO NOT select Bid Alternate #1 (weekly recycling pickup) for the following reasons:
  - The additional \$3.80 per unit/per month cost for weekly recycling pickup would be applied to all residential units currently in the refuse collection program.
    - This would add approximately \$785,460 to the cost of the program for 2020 (based on an average of 17,225 units in service for 2020). This cost would also increase annually as the city expands and adds additional units or homes.
  - Heavy/Diligent recyclers who would benefit the most from weekly recycling may obtain an additional 96-gallon recycling tote from Republic Services - \$1.75 per month
    - The current base proposal allows residents two (2) 96-gallon trash totes or one (1) 96-gallon trash tote and one (1) 96-gallon recycle tote at no cost





# Questions?

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