

Recommendation to Award Contract for Residential Garbage and Recycling Services

Contractor: Waste Management of Colorado, Inc.

Contract Terms/Amount:

\$8.89/household/month initially with an annual adjustment upward or downward based on the Consumer Price Index for the Denver, Colorado area, not to exceed 4.0%. This equates to \$1,546,860 for the initial year of the contract based on an assumed number of 14,500 households. The term of the contract is for five years, January 1, 2015 through December 31, 2019.

Project Description:

Proposals were solicited from qualified Contractors to provide services for the collection and disposal/processing of residential garbage and recyclable materials, including the collection and disposal/processing of garbage and recycling from City municipal buildings and parks. Collectively, these services are referred to as the City's Residential Garbage & Recycling Collection and Disposal Program.

The City's current contract includes:

- Unlimited household garbage collection on a weekly basis
- Bi-weekly single-stream curbside recycling services
- Unlimited large item pickup when scheduled 24 hours in advance
- Provision of two, eighteen-gallon containers for recycling to each new unit
- Garbage and recycling services at seven City facilities and four business areas
- Weekly garbage collection from eleven trash receptacles in two commercial areas

The Program currently provides service to approximately 14,330 single-family and multi-family units (tri-plexes, quadri-plexes, townhomes and condominiums). Of these, approximately 635 units receive parking lot or alley service and 240 units are served by dumpsters. Mobile homes, apartment buildings, commercial buildings, and industrial complexes are not included in the Program.

The City also contracts for garbage and recycling services at seven municipal buildings or parks, four business areas and eleven city-wide trash receptacles located within the City right-of-way.

Commerce City has a high recycling participation rate (estimated at 60% to 66%) but a low diversion rate – on average about 8%. This is generally the inverse of most programs where residents are required to pay for recycling services.

Program Goal and Objectives:

The goal of the Program is to provide services that effectively collect and dispose of solid waste in a manner that is consistent with the applicable State, Federal and local laws and regulations, while maximizing the fullest recovery of recyclable materials possible with the least impact on the environment and in a cost-effective manner so as to enhance the safety and aesthetics of the City.

Objectives to achieving this goal include:

- Minimizing the rate of waste generation through education and source reduction
- Encouraging and facilitating the recovery, reuse and recycling of material within the waste stream
- Increasing the amount and types of materials being recycled
- Improving education to increase diversion rates and waste reduction
- Expanding participation

Bidding & Selection Process:

The following process was followed to evaluate and select an alternative and contractor.

- A Request for Proposals (RFP) was posted on the City's website and on the Rocky Mountain E-Purchasing System on July 28, 2014.
- Two (2) proposals were received; one from Republic Services and one from Waste Management of Colorado, Inc.
- The Selection Committee (Maria D'Andrea, Jim Hayes, & Sheryl Carstens) reviewed the proposals and scored them using a quantitative scoring worksheet. The Committee also reviewed a summary of written responses from each firm's references.
- Both firms were interviewed by the Selection Committee.
- A Study Session was held with the City Council to get objective input on the seven alternatives identified in the proposals.
- The Committee identified the fully automated collection alternative, as proposed by Waste Management of Colorado, as the best program delivery option for the City.

Fully Automated Collection:

The Fully Automated Collection service would consist of the following:

- Fully automated, weekly trash service. Households would have a choice between 32-, 64- or 96-gallon containers.
- Fully automated, bi-weekly single-stream recycling. Households would have a choice between 32-, 64- or 96-gallon containers.
- Waste Management would supply & deliver one (1) garbage container and one (1) recycling container to each existing and future household.
- Any additional garbage & recycling service, above the 96-gallon limit, must be purchased by the customer. Waste Management will bill the customer directly.
- Large item pick-up for each household, (limited to 5 times per year).
- Trash and recycling services for all City facilities.

Schedule:

The contract would become effective on January 1, 2015. Over the next several months, City staff will work with Waste Management to implement the full automated collection service. A Comprehensive Automated Collection Service implementation plan will be developed within the next several weeks and shared with the City Council at a November Study Session.

At a minimum, the Implementation plan calls for:

- Public education
- Workshops
- Routing analysis
- Cart delivery schedules
- Customer service training
- Progress reports

Financial Impact:

The initial year of the contract (January 1, 2015 through December 31, 2015) will require funding in the amount of approximately \$1,546,860.00 based on an assumed number of 14,500 households. The 2015 budget has been preliminarily set at \$2,153,122 and therefore includes adequate funds to fund this contract.

Staff Recommendation:

Staff recommends accepting all proposals and awarding a contract to Waste Management of Colorado, Inc. in the amount of \$8.89/household/month with an annual adjustment, upward or downward, based on the CPI for Denver, Colorado, not to exceed 4.0%.