

STAFF REPORT

TO: Mayor Keis and City Council Members

FROM: Chris Heineman, City Administrator
Brenda Malinowski, Finance Director

DATE: November 17, 2021

RE: Review Organized Collection & Recycling Contract

BACKGROUND:

Staff met with representatives of the existing haulers participating in our organized collection contract (Republic Services, Waste Management, & Gene's Disposal) in March and again on June 7. At these meetings, city staff shared our concerns and observations about the current level of service provided by the existing haulers and discussed the proposed rates provided by the haulers in their current proposal. A meeting of the city council subcommittee on organized collection (Council members Mike McGraw & Christian Torkelson) met on July 7 to review and discuss the proposed changes as listed below.

Organized Collection Contract Items for Consideration

- **Moving from Bi-Weekly to Weekly Recycling Service** - City staff requested that the haulers provide an estimate for the cost difference to offer recycling services on a weekly basis as opposed to bi-weekly as several residents have expressed interest in this.
 - **Hauler Response:** Recycling service is unlimited and residents are currently allowed to have up to two (2) carts at no extra cost. Additional recycling that does not fit in the recycling carts should be broken down and placed next to the recycling cart. Because of this, there is likely no need for Little Canada staff/residents to schedule extra recycling.

- **Incorporate select Townhomes, Condominiums, and Triplex & Fourplexes into our organized collection** - Staff provided a list of these select properties to the current hauler consortium to see if it would be cost beneficial to add these accounts to the City's organized collection or to continue to keep their services separate. One of the repeated concerns we see specifically with these properties that are NOT part of Little Canada's organized collection contract is that residents don't know who to call when they need service. For example, they call Waste Management and WM tells them to call the City & when they call us, they're told that they need to call WM.
 - **Hauler Response:** Additional services can be added into the contract at the proposed rates with the applicable changes to City Code. Additional details such as bulky items will need to be worked out at multi-family properties, as these are difficult to track.

- **Bulky Item Removal** - City staff requested would like to explore the cost difference between offering a "Pay-As-You-Throw" option for Bulky Items compared to keeping the "3-Free Bulk Items each calendar year" option. In 2020, there were 1753 households in Little Canada's organized collection, 522 (30%) households used the bulky item removal service and 163 households (9%) used all 3 free bulks.
 - **Hauler Response:** If bulky item removal is transitioned to a "Pay-as-you-Throw" model, rates can be reduced by \$1.00 per week for each service level.

In addition, below is a list of items that city staff is recommending that we clarify the contract language if the City Council chooses to move forward with a renewal of the contract:

1. **Christmas Tree Removal** – Separate this out as a stand-alone item in the contract and clarify the language. (*Currently it's on pg. 4 Under Scope of Contract; Collection Service Provided by Contractor; Garbage and Refuse Collection; Description*) Language should state that the removal of one (live) Christmas tree annually at the curbside is included in the cost of trash service. Further, all three haulers will align removal dates (typically the 1st two full weeks of January). And the haulers will canvas the city to removal all trees set out. (The change is that the City will NOT schedule removal at individual properties.)
2. **Annual Recycling Calendar** – Separate this item out & amend the language (*Currently it's on pg. 7 under Recycling Collection; Frequency*). Language should state that each of the haulers will work with the City to create one annual Recycling Calendar that indicates the collection dates for the upcoming year for Little Canada residents.
3. **Add Walk Up Service** – Add language specifically into the contract (it's currently in Attachment B). State that the haulers will provide free Walk-Up Service by request for seniors (over 65 years) or residents who are physically disabled. The City will review all requests and notify the haulers of those approved. Haulers will NOT offer walk-up service as a convenience.
4. **Add Senior Low Volume Bag Rate (a.k.a. Senior Bags)** - Add language specifically into the contract (*Currently it's in Attachment A & on pg. 5 Under Scope of Contract; Collection Service Provided by Contractor; Garbage and Refuse Collection; Containers*). State that the haulers will provide once a month Trash Service by request only to seniors (over 65 years) who generate low volume. They will be offered a reduced rate for this service and given a 30g trash cart. The City will review all requests and notify the haulers of those approved.

Additional potential changes coming down the road...

- Ramsey County will be beginning a new Food Waste Collection program in the next 12-24 months. While this is not currently available, consider building it into the upcoming contract.

DISCUSSION AND ANALYSIS:

In 2017, the residents saw an initial reduction in their rates, with an average overall increase of 2% per year for the remaining four years. With the initial reduction in rates for the first year (-1.05% for 30 Gallon Carts, -2.36% on 60 Gallon Carts, -3.82% on 90 Gallon Carts) ***the total increase over the 5-year contract was between 4.18% and 6.95% from 2017 and 2021.***

The consortium of waste and recycling haulers for the City of Little Canada initially submitted a proposal for a 3.5% Annual Price Adjustment. ***This would result in a total rate increase of 17.5% over the next five years.*** After discussion with the city council subcommittee, staff was directed to negotiate consortium of haulers to reach a lower rate. Unless a better option was provided, the City may be forced to issue an RFP for a single-hauler contract.

City staff contacted the consortium representatives and shared the concerns of the City Council. The Consortium of haulers responded with a 2% annual price adjustment for a 3-year term (2022-2024). They consortium of haulers also proposed to include a clause to extend the contract an additional two years upon mutual agreement. The city council subcommittee agreed that this proposal is reasonable given the current labor related issues we are experiencing. ***The total increase of the revised contract will result in a 6% increase over the next three years.***



ACTION TO BE CONSIDERED:

No action is requested at this time. Additional information and a draft of the proposed contract language will be provided prior to the City Council workshop. The Council is asked to review the proposed language and provide any additional feedback at the workshop. The final organized collection contract will be included on the December 15th City Council meeting for adoption.