

DATE: July 10, 2020
 TO: Mayor and City Council
 FROM: Assistant City Manager
 SUBJECT: Solid Waste Rate Reduction & Extension



RECOMMENDED ACTION

Approve a two-year extension to the current solid waste agreement with Advanced Disposal at a reduced rate for cart service of \$14.30 / month; no price adjustments within the first 12 months (10/31/2021); and no other changes to the terms.

In accordance with Article III of the city’s solid waste ordinance, the collection of municipal solid waste in the city limits has been outsourced for over twenty years. Solid waste collection services have been provided by Advanced Disposal for ten years and our residents have consistently seen some of the most cost-effective rates over that time period. The contract has seen a few changes in the recycling market and pass-throughs of tipping fee changes by the legislature, but otherwise been consistent, notably during the tail end of the great recession. The current term expires in October.

In order to navigate a very busy latter half of the year, staff reached out to our vendor to discuss the contract and future rates and determine if an extension was financially favorable to our residents. After several virtual meetings with our vendor, we have an offer from them to extend for a period of two years (to 10/31/2022) with a residential cart rate of \$14.30 per month (a reduction of \$0.35 or 2.5%), all rates frozen through 10/31/2021 and no other changes.

For comparison, below are rates from neighboring jurisdictions:

	95-gal. cart	Bags
<i>Advanced - Proposed</i>	\$ 14.30	\$ 1.95
<i>Sugar Hill - Current</i>	\$ 14.65	\$ 1.95
<i>Lilburn</i>	\$ 13.51	-
<i>Norcross</i>	\$ 14.84	-

<i>Loganville</i>	\$ 14.95	-
<i>Peachtree Corners*</i>	\$ 15.33	-
<i>Duluth**</i>	-	\$ 1.67***
<i>Auburn **</i>	\$ 16.19	-
<i>Gwinnett</i>	\$ 16.98	-
<i>Suwanee</i>	\$ 24.65	-
<i>*Waste Management</i>		
<i>**Republic Svcs</i>		
<i>***32 gal. bag</i>		

Based on the research completed, the residential rates being offered by Advanced are noticeably lower than that of most of the neighboring cities and jurisdictions and substantially lower than recent bid amounts. One final consideration in the determination is the disruption and inconvenience to the customer that making a change in vendors would introduce that may be avoided.

Attachment
Extension Agreement

EXTENSION AGREEMENT

THIS EXTENSION AGREEMENT is entered into as of this 13th day of July, 2020 by and between **THE CITY OF SUGAR HILL**, a political subdivision of the State of Georgia (the “City”) and **ADVANCED DISPOSAL SERVICES ATLANTA, LLC** (the “Company”).

WHEREAS, the City and the Company desires to extend the Agreement dated October 15, 2009 as Amended on December 12, 2016 as follows:

3. TERM

The second Renewal Term of this agreement ending October 31, 2020 shall be extended two years and remain in full force and effect during this third Renewal Term ending October 31, 2022.

13. RATES

13.1 Collection Rates. Effective November 1, 2020, the residential rate for curbside cart service shall be **\$14.30 per month** until October 31, 2021. All other residential rates shall remain unchanged for the period from the date of this agreement until October 31, 2021.

17. PUBLIC ACCESS TO COMPANY

17.2 Service Complaints. All service requests for replacement containers, carts, or bins shall be made via telephone or internet service forms and a response shall be provided within one business day and repair or replacement within five business days.

WHEREAS, the City and the Company agree that all other terms and conditions of the initial Agreement as Amended and Extended remain in full force and effect;

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound, agree and have executed this Extension Agreement in three counterparts, each of which shall be deemed an original addendum and agreement, all as of the date first above written.

City of Sugar Hill

Advanced Disposal Services Atlanta, LLC

Signature

Signature

Printed Name

Printed Name

Title – Mayor Pro Tem

Title

Date

Date

Witness

Witness

Printed Name

Printed Name