

DATE: **February 9, 2024**  
TO: Mayor and City Council  
FROM: Assistant City Manager  
SUBJECT: Sanitation & Recycling



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## **BACKGROUND**

Waste Management (WM, formerly Advanced Disposal) has had the contract for exclusive rights to collect both residential and commercial solid waste since October 2009 (perhaps earlier as Robertson). The contract has been extended periodically and most recently in 2022. The services over the last fifteen years have included recycling embedded into the flat monthly rate (or into the bag rate until late 2022). There are approximately 7,000 residential and 187 commercial accounts in Sugar Hill. The residential rate is currently \$19.66/mo. billed quarterly and includes every other week recycling and would cost a household \$235.92 a year. No discounts are available. No volume-based rates are available. Residential recycling collection is every other week frequency with 90 gallon cart (65gal option). Valet service is available upon request and approval of the provider.

## **INTRODUCTION**

Concerns with discontinuing bag service, the rising prices for the service, and expressions of customer dissatisfaction communicated to the Council members precipitated the item being added to the agenda for this month's work session and now, regular meeting. At the work session, Council member Avery presented a very thoroughly-researched summary of neighboring communities rates, experience, and level of service, inclusive of information provided by Waste Management. The focus was on the residential customer base and what can be done to improve value and enhance quality of services provided. A few other focal points of the item included bulk waste collection (with the bag as a method of payment) for curbside removal as was the limitations on recycled materials.

The WM contract is currently extended through 2027 and can be terminated with 120 day's notice.

**Section 7.0 - Term**

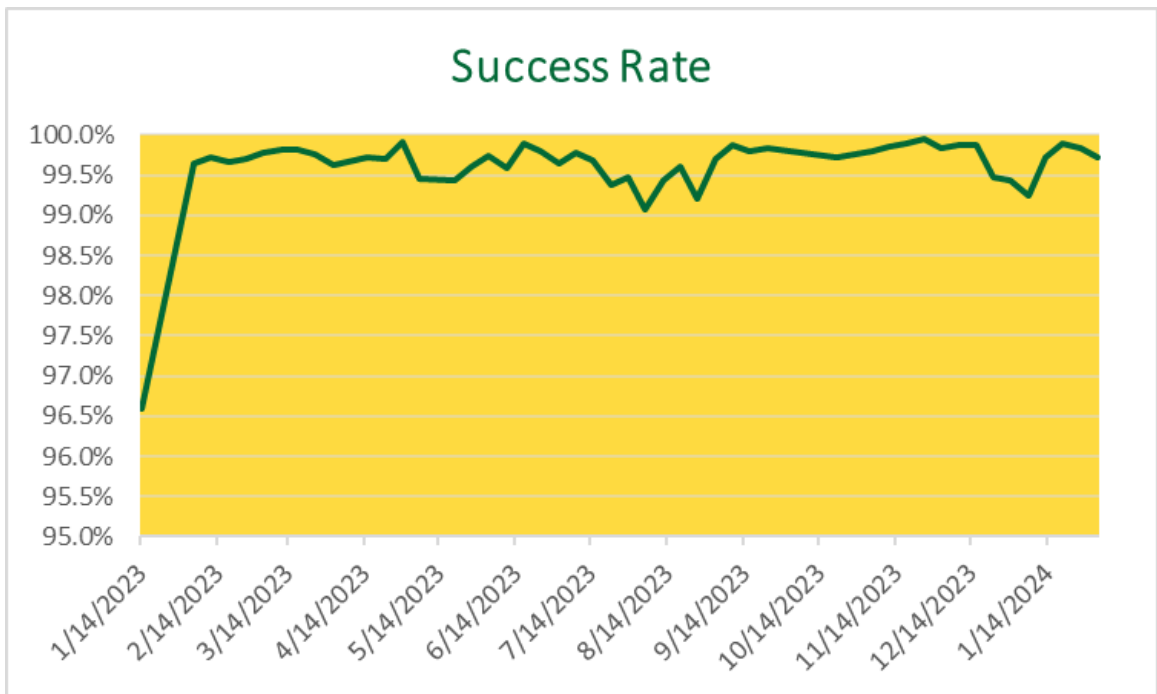
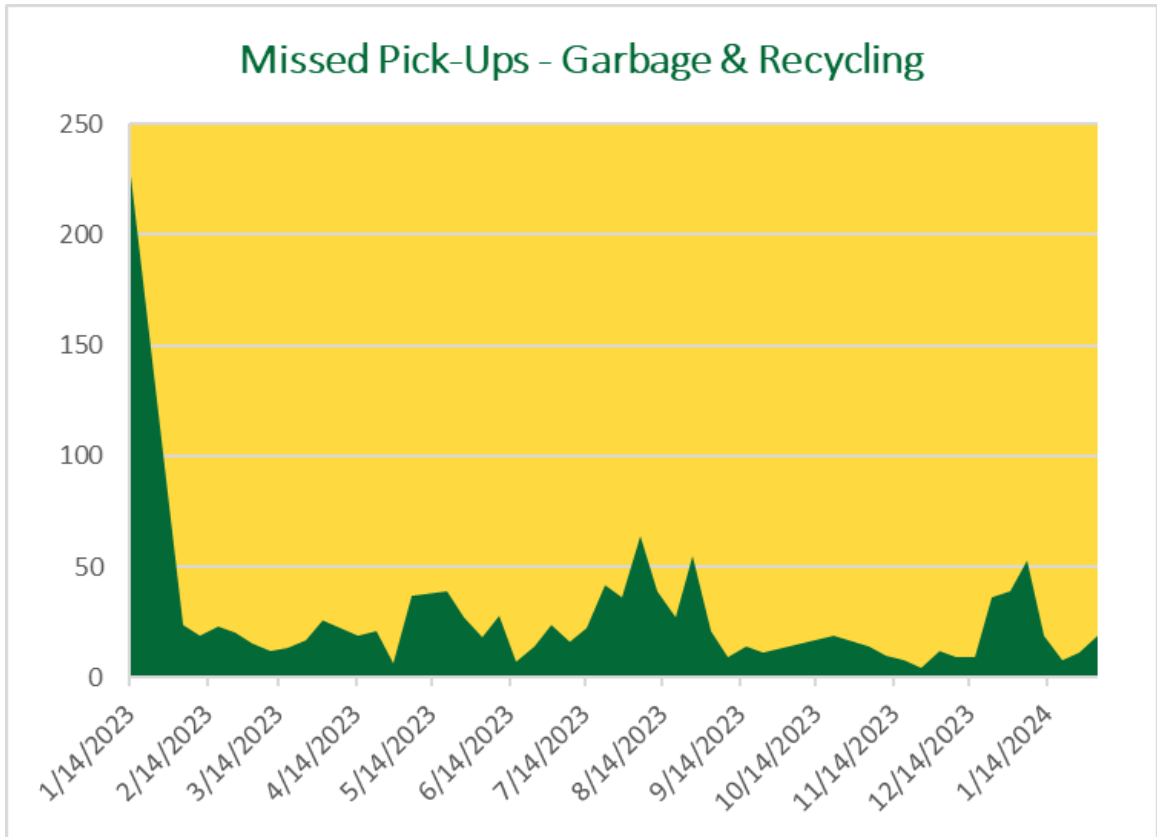
The term of this Agreement shall begin on November 1, 2022, and continue for a period of five (5) one-year automatic annual renewal periods unless either party notifies the other party in writing not less than 120 days before each contract anniversary date of November 1. The Contractor and the City shall have the right to renew the Agreement based on mutual consent of both parties expressed in writing anytime.

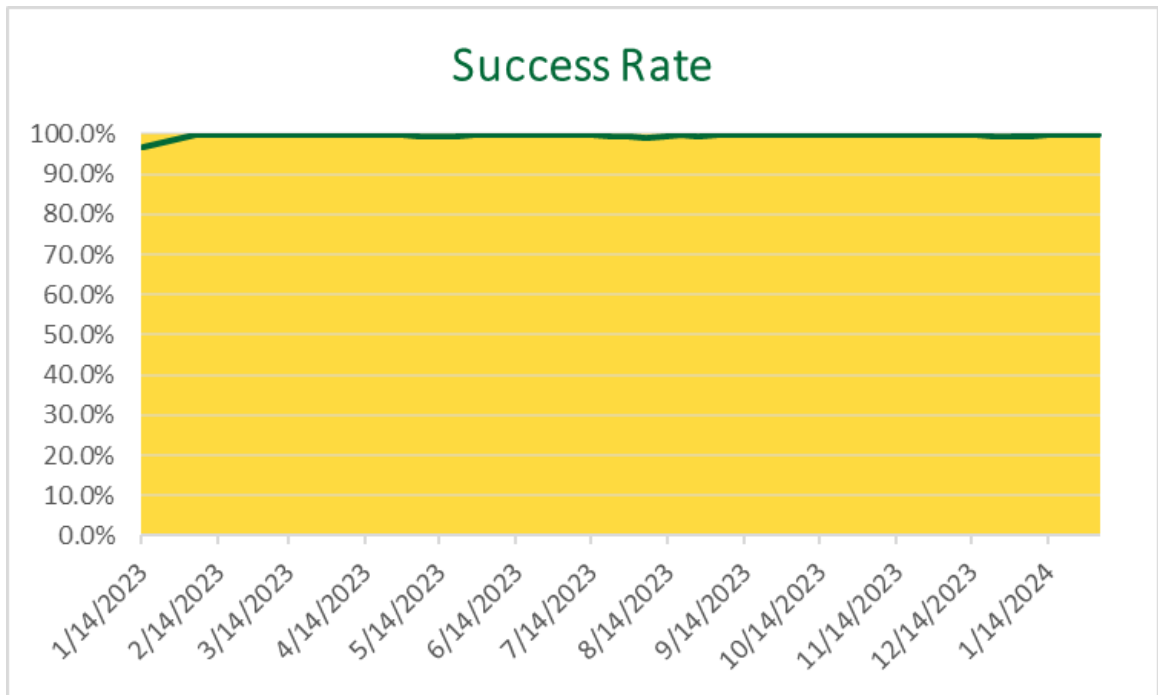
A few graphs below are based on staff’s findings from late 2023 of residential rates from neighboring jurisdictions and the records of missed pickups reported (“Success Rate”).



\* As of late 2023 (Normalized for basic services, not including extra services or how billed)

## CURRENT PERFORMANCE TRACKING





**POTENTIAL SERVICES OF CONCERN**

**Garbage**

- 95 gallon trash cart
- 65 gallon trash cart
- Proprietary Bags
- Stickers (on bags)

**Recycling / Extras**

- Recycle Cart
- Recycle Bin
- Yard Waste Cart
- Bulk Waste On Demand
- Bulk Waste Drop-Off
- Bulk Waste Annual Event
- Shred day
- Electronic collection
- Emergency Response Capability
- Valet/Door service
- Weekly Recycling
- Glass Recycling
- Plastic Recycling
- Steel Recycling
- Paper/Magazine Recycling

### **Billing/Rates**

- Tiered Rate Structure
- Senior Discount
- Quarterly Bill
- Annual Bill (Tax Bill)
- Subsidies from Gen Fund
- Income Qualified Subsidies

### **PROCUREMENT PROCESS**

Should the Council determine that a competitive procurement is desired, staff recommends a three-step process whereby prospective vendors may be vetted for the types of services the Council wishes to investigate.

1. Advertise for letters of interest and qualifications for solid waste collection services with a determination of which vendors can provide the services of interest to the Council.
2. Full proposals can be solicited for services from those responses.
3. The shortlisted firms can provide fee proposals associated with the opportunity and contract terms negotiated for final presentation to Council.

Should this process be the Council's preferred direction, a procurement schedule can be presented at the March meeting with the RFP language for approval.

Nevertheless, staff is recommending negotiating changes to the existing contract terms for improvements to the services and structure rather than readvertising the entire contract. The rates of service currently approved, even with annual CPI adjustments are much less than those of our surrounding communities and a full reboot of the contract could open up the risk of much higher fee structures as the rate comparison would seem to indicate.

