

MEMORANDUM

TO: James Antonen, City Manager
FROM: Shann Finwall, AICP, Environmental Planner
SUBJECT: **Trash Collection System Analysis - Request for Authorization to Negotiate a Draft Trash Collection Contract with the Top Ranked Proposer**
DATE: September 20, 2011 for the September 26 City Council Meeting

INTRODUCTION

On March 28, 2011, the City Council adopted a Resolution of Intent to Organize Trash Collection. The adoption of this resolution is required by Minnesota Statutes, Section 115A.94, subdivision 4 to begin the planning process for organized trash collection. The City Council adopted goals for the City's trash collection system as follows: 1) Economic, 2) Service, 3) Environment, 4) Safety, 5) Efficiency, 6) Planning Process*, 7) Aesthetics, and 8) Hauler Impacts*.

*These goals are required by state statute.

On April 25, 2011, the City Council approved a scope of work for the Trash Collection System Analysis. The scope included the formation of a Trash Hauling Working Group made up of two City Councilmembers, two Environmental and Natural Resources Commissioners, and two City staff. Dan Krivit of Foth Infrastructure & Environment, LLC, participated in the Working Group meetings as the City's solid waste management consultant.

DISCUSSION

The Trash Hauling Working Group was charged with analyzing two areas of trash collection systems including improvements to the City's existing subscription (or "open trash hauling") system and a contractual (or "organized trash hauling") system.

Review and Analysis of Existing Subscription System

The Trash Hauling Working Group gave a report to the City Council on August 29, 2011, regarding possible improvements that could be made to the City's subscription system. That discussion will continue during a workshop on October 24, 2011, with final analysis of both the subscription and the contracted systems coming before the City Council in November 2011.

Review and Analysis of Contractual Systems

Request for Proposal

The analysis of a contractual system included the creation of a request for proposal (RFP) for residential trash collection. On July 11, 2011, the City Council authorized the release of a Comprehensive, Residential Trash Collection System RFP. A summary of the RFP content follows:

- City-wide trash collection for all single-family residential properties (properties with one to four units).
- Proposal options include: a contract for the entire City; or a contract for one to three of the City's existing day certain trash pick up districts.
- Term of Contract: Five years with two one-year extensions possible.
- Proposals can be submitted by one hauler or a joint proposal from up to four haulers. Joint proposals can be submitted for the entire City contract option only.
- RFP specifies billing directly by the Hauler to the residents.
- RFP specifies City-owned trash carts.
- RFP requires the vendor to submit a fixed base collection fee (BCF) for all properties, with variable disposal fee pricing depending on cart sizes (i.e., 20/30/60/90 gallon).
- Added service requirements include pick up of yard waste, bulky items, extra bags, Christmas trees, e-waste.
- RFP does not include trash collection from City buildings.

Responses to the RFP

August 19, 2011, was the deadline for proposal responses to the RFP. On August 19 the City received six responses to the RFP from the following companies:

- Allied Waste Services
- Dick's Sanitation, Inc.
- Highland Sanitation and Recycling
- Tennis Sanitation, LLC
- Walters Recycling and Refuse, Inc.
- Waste Management, Inc.

Proposal Review and Ranking

On September 13, 2011, the Trash Hauling Working Group met to review and rank the proposals based on the following evaluation criteria specified in the RFP:

| Criteria | Points |
|---|------------------|
| 1. Proposed prices | <i>32 points</i> |
| <ul style="list-style-type: none"> • Competitiveness of the proposed collection service fees relative to other proposals over the life of the contract. • Competitiveness of the proposed trash disposal fees relative to other proposals over the life of the contract. • Amount of the fee to deliver a replacement or additional cart to an existing household. | |

| Criteria | Points |
|----------|--------|
|----------|--------|

- Competitiveness of the proposed fees for other services (e.g., yard waste, bulky items, clean-up events, etc.) relative to other proposals over the life of the contract

2. Qualifications *10 points*

- Demonstrated, successful experience (including that of key staff) establishing working relationships with public agencies
- Demonstrated successful operations of similar materials collection system(s)
- Techniques and controls for project management, such as: reporting samples provided, payment, and monitoring responsibilities
- Demonstrated capability to provide a performance bond
- Demonstrated good credit references and the ability to finance all the capital investments required
- Aggregate age of truck equipment proposed
- Any lawsuits that may impact the proposer's ability to perform the services specified in this RFP and/or the Contract

3. Service *20 points*

- Proposed customer service plans (e.g., office administration, phone response system, etc.).
- Proposed plans to implement a fully automated collection system.
- Proposed plans to implement yard waste collection services.
- Proposed plans to implement other on-route collection services (e.g., bulky items, etc.).
- Proposed public education services.
- Proposed plans to implement a RFID system.

4. Environmental benefits and street impacts *19 points*

- Proposed plans to implement alternative fuel vehicles (e.g., CNG, biodiesel, etc.)
- Other proposed pollution abatement plans
- Proposed equipment (e.g., type of tires, number of axles) to reduce road impacts
- Proposed plans to control and manage litter
- Stated plans and commitment to help the City implement a future organic waste (e.g., food waste) recovery program
- Other proposed environmental policies, programs and proposals specific to the City of Maplewood

| Criteria | Points |
|---|-----------------|
| 5. Safety | <i>8 points</i> |
| <ul style="list-style-type: none"> • Safety record on Minnesota operations • Proposed safety plan concept for City of Maplewood operations • Other safety policies, programs and proposed operations | |
| 6. Aesthetics | <i>5 points</i> |
| <ul style="list-style-type: none"> • Stated plans to help the City implement a standardized trash cart system • Stated plans to collect overflow trash, bulky items, and yard waste in a timely manner | |
| 7. Proposal content and overall responsiveness | <i>6 points</i> |
| <ul style="list-style-type: none"> • Degree of exceptions • Thoroughness of written proposal (e.g., lack of omissions) | |
| <i>TOTAL POINTS</i> | |
| | <i>100</i> |

The proposal ranking system was per the criteria weightings and other procedures in the RFP. The Working Group was diligent in evaluating the relative strengths and weaknesses of each proposal as fairly and objectively as possible. Based on the Trash Hauling Working Group’s review of the responses received, the Group determined that there were four responsive proposals submitted. All four responsive proposals were cost competitive. The companies were thorough and very thoughtful in completing their proposals.

Top Ranked Proposal

As a result of the Working Group’s careful proposal evaluations, Allied Waste Services (“Allied”) was ranked as the number one proposer. Allied had the best overall score when evaluated against all seven criteria as per the RFP, including the lowest price.

Summary of Proposals

Upon initial analysis many of the proposals, if implemented, would save resident’s money and meet all of the goals outlined by the City Council for a trash collection system. Several of the proposals would save City residents a significant amount of money if a contract were executed as per their proposal. For example, when comparing the average proposed prices of the top three proposals to the current, average published rates as reported by the licensed haulers to the City for 2011, residents collectively could save over \$500,000 per year. If the City is able to

successfully negotiate with the top ranked proposer, Allied, this savings compared to average reported rates could be over \$800,000 per year. It is recommended that further details of proposals and proposed prices not be released publicly until such time as a contract is successfully negotiated and executed.

Timeline for Completion of the Trash Collection System Analysis

Following is the proposed timeline for the completion of the Trash Collection System Analysis:

- Sept. 26, 2011: City Council Meeting - Authorize Contract Negotiations
- October 24, 2011: City Council Workshop or Meeting – Continued Review of Existing Subscription System
- Nov. 21, 2011: 90-day negotiation period ends (90 days from Aug. 19 RFP deadline)
- Nov. 28, 2011: City Council Meeting – Decide on System (1. Review Draft Contract, 2. Review Statutory Findings, 3. Decide on System – Contracted or Improved Subscription)
- Dec. 12, 2011: City Council Meeting: Authorize Implementation of Selected System
- October 1, 2012: New Service Implemented if City Council Chooses Contracted System

RECOMMENDATION

The Trash Hauling Working Group recommends that the City Council authorize staff to negotiate with Allied Waste Services for City-wide Residential Trash Collection Services. This recommendation and the evaluation process are consistent with the requirements of the City's RFP. If City staff and Allied Waste Services are unable to negotiate the details of a final draft contract based on the RFP and Allied's proposal, then City staff should have the authority to end negotiations with Allied and begin negotiations with the second ranked proposer, and so on, as outlined in the RFP.