



Legislation Text

File #: 18-628, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Adopt the resolution approving the award of RFP 18-041 and authorizing the City Manager to execute the agreement for Residential Refuse Waste and Recycling Collection Program, to Groot Industries for a 10-year term with a first-year cost of \$7,314,300 and a 2.8% annual increase.

DEPARTMENT: Department of Public Works

SUBMITTED BY: Dick Dublinski, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The refuse and recycling contracts represent critical public services that touch every resident on a weekly basis. The City's haulers provide once per week pick up to approximately 42,000 single and multi-family residences with driveway access to the public right-of-way. In 2014, staff constructed a residential refuse and yard waste disposal service contract with a term date that would align with the expiration of the recycling contract. The contracts for curbside refuse and recycling collection both expire on April 30, 2019. Below is a summary of both contracts.

Refuse and Yardwaste Collection:

The existing refuse and yard waste collection contract was bid in 2014, and the City awarded the contract to Waste Management.

Refuse collection includes items such as residential refuse, leaves, yard waste, brush, construction materials, and large household appliances. The existing refuse collection contract is a take-all flat rate program and defines unlimited refuse as an unlimited number of cans or bags of garbage. The refuse containers are required to be no larger than a 96, 68 or 32-gallon cart purchased through the city's voluntary cart program. Since the inception of the cart program in 2004, the City has sold approximately 41,000 refuse carts. Considering replacement cart purchases and families moving to and from Naperville, the data suggests that approximately 85-90% of all households use a city issued refuse cart. Although optional pricing was requested during the 2014 refuse bid process, this contract does not include hazardous waste or electronic recycling collection as the models for these services were not fully developed.

Recycling Collection:

The recycling collection service continues to be performed by Groot Industries, formerly known as Republic Services. In 2014, Republic Services accepted a contract extension through reassignment from Resource Management that is due to expire on April 30, 2019. This extension included a

mandatory cart program for recycling. The Department of Public Works offers residents the opportunity to order 96, 64 or 32 gallon cart sizes.

DISCUSSION:

Staff prepared a request for proposal (RFP) to obtain service models customized for the City of Naperville that, at a minimum, provide baseline refuse, recycling and yard waste collection. In addition, disposal options for electronics, household hazardous waste, yard waste, large items, construction material, and composting were evaluated. The goal was to compare and procure the most comprehensive suite of collection services complete with performance standards and terms that provide the best value for the residents of Naperville.

Advertisement Date:	04/13/2018	Notices Sent:	298
Opening Date:	05/22/2018	Planholders:	20
		Bids Received:	4

Proposals were received from the following vendors:

Advanced Disposal Services	Lakeshore Recycling Systems
Groot Industries	Waste Management of Illinois

A selection team comprised of staff from the Department of Public Works, Finance Department and Legal Department evaluated the proposals, which were scored based upon the criteria set forth in the RFP:

1. Capability, Capacity and Qualifications of the Firm (35%)
2. Suitability and Quality of the Program (25%)
3. Suitability and Quality of the Fleet (15%)
4. Milestones and Deliverables (15%)
5. Outcomes to be Achieved (10%)

After review and scoring of the proposals, the selection committee invited all four respondents to attend interviews. Following the completion of the interviews, the selection committee rescored the vendors. The table below provides a summary of the final qualification scores:

Vendor	Qualification Score
Advanced Disposal Services	82.7
Groot Industries	84.25
Lakeshore Recycling Systems	88.75
Waste Management of Illinois	82.4

The two vendors with the highest qualification scores, Groot Industries and Lakeshore Recycling Systems, were invited to enter into concurrent but separate negotiations regarding the final scope of

services and contract language with City staff. Following negotiations, Groot Industries was found to be the best value for the City based on their pricing, the programs and services offered, and their customer service program.

Contract Highlights

The contract will provide once a week refuse, recycling, and yard waste collection to approximately 42,000 single and multi-family households. The program is a take all (flat rate) refuse and recycling program and a volume based yard waste program. The following items are included in the take all program:

- Weekly collection of an unlimited amount of properly prepared disposal bags or cans, or City issued carts
- Unlimited fall landscape waste collection for a six-week period beginning November 1st
- Collection of a limited number of large household items and whitegoods
- Christmas tree collection during the first two full weeks of January
- Refuse/recycling collection from City facilities, including the Library and Naperville Settlement
- Collection of refuse and recycling during Ribfest and Last Fling
- Operation of the recycling drop-off center at the Public Works Service Center. The Recycling Drop-Off Center will be open and staffed by the Contractor from 8:00 a.m. until 4:00 p.m. every Wednesday and Saturday

Other contract highlights include:

- The existing City issued refuse and recycling carts will be accepted
- Yard waste will continue to be volume based, with residents required to put one sticker on each bag or bundle. Weekly landscaping service are offered from March 15 - December 15
- Yard waste carts will continue to be offered. Residents who rent the cart will be able to recycle organics such as food scraps in this cart as well
- Collection and disposal of E-waste (electronics) available through scheduled pick-ups. The cost of this service will be directly paid by the resident
- A portion of the contractor vehicles will be CNG

The services provided through this contract have a direct and daily impact on the residents. As such, an extensive customer education program will be implemented to proactively educate residents regarding the contract services. Highlights of the customer service program included:

- A local customer service office that residents may call or send inquiries and complaints to
- Two customer service representatives will be dedicated to the City of Naperville and will have detailed knowledge of the contract
- A customized website will be available to residents that will provide information regarding collection programs, schedules and how to properly dispose of material. The website will also include videos demonstrating proper preparation of materials, information regarding services provided, and the availability and cost of yard waste stickers, carts and E-waste collection
- A phone App will be available to residents that will provide information regarding collection programs, schedules and how to properly dispose of material. The phone App will be able to provide text alerts regarding holiday collection schedules and delays in collection due to weather events
- Participation in festivals and other outreach events in order to educate residents about the services provided and appropriate disposal methods and alternatives

- An annual brochure will be developed and mailed to each resident detailing the program details
- When material is not properly prepared for disposal by the residents, “Sorry” tags will be used to inform residents of specific reasons why the material was not collected
- In an effort to reduce contamination of recyclable materials, “For Your Information” tags will be placed on recycling containers to explain what material was not recyclable and therefore treated as refuse
- Other informational materials, such as magnets or stickers, will be developed as requested by the City

Household Refuse and Recycling Costs

The monthly household refuse and recycling pricing provided by the two proposers includes an all-in price for refuse services, recycling services, city site collection, white good collection, drop-off site, and special event support. New for this contract is including the “free” six-week bagged leaf collection and Christmas trees in the all-in price which were previously priced on a volume basis. When calculating estimated annual pricing, the City uses a baseline of 42,000 households for a 12-month period.

Company	Cost Proposal
Current*	\$13.98
Groot Industries	\$12.95
Lakeshore Recycling	\$13.31

**The Current Price includes the \$12.89 paid directly by residents and the \$1.09 average annual cost per resident for Christmas tree collection (\$1 per household) and curbside bagged leaf collection (\$51 per compact cubic yard) paid through the General Fund.*

Sticker Pricing

The per sticker price for yard-waste collection provided by the two proposers includes the collection of properly prepared yard-waste bags, bundles of brush, and other disposal units. When calculating estimated annual pricing, the City uses a baseline of 350,000 stickers sold based on historical sales data.

Company	Cost Proposal
Current	\$2.10
Groot Industries	\$2.25 Year 1/ \$2.50 Year 3/ \$2.75 Year 6
Lakeshore Recycling	\$2.10

Annual Adjustments

The last pricing component for this proposal is the annual adjustment. This annual adjustment will impact the household refuse and recycling price in both proposals, and the sticker price in one proposal. Historically, this pricing component has been based upon the annual Consumer Price Index (CPI) for Chicago-Naperville-Elgin. The CPI has increased by an average of 1.24% over the past 10-years but has started to trend up in 2018, with a year to date increase of 1.96%.

Company	Cost Proposal
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Current	1.75% - 3.50% Range
Groot Industries	2.80% Fixed
Lakeshore Recycling	1.50% - 3.50% Range

Contract Value

When evaluating the overall cost to the community, Staff used the household price and the sticker price combined with the current volume information to determine the total cost in year one of the contract.

Company	Cost Proposal
Current	\$ 7,781,560
Groot Industries	\$ 7,314,300
Lakeshore Recycling	\$7,443,240

The term of the contract is ten years from May 1, 2019 through April 30, 2029 no option years to extend.

As the chart below illustrates, the City of Naperville continues to have one of the lowest prices in the Chicagoland area and will continue to for years to come.

Refuse/Recycling Collection **Yard Waste**
Community Household Cart (68 Gallon Sticker **Take All** **Sticker**

City	Population	Community Household Cart (68 Gallon Sticker)	Take All	Yard Waste Sticker
Naperville	42,100		\$ 12.95	\$2.25
Arlington Heights	30,688	\$17.88		\$2.70
Aurora	64,000	\$13.92		\$2.75
Bolingbrook	24,000		\$19.40	
Buffalo Grove	15,808	\$21.20		
Des Plaines	15,500		\$17.14	
Downers Grove	14,550	\$19.73	\$3.85	\$3.85
Elgin	29,007	\$15.80	\$2.87	\$2.87
Joliet	47,385	\$25.20		
Lisle	5,471	\$24.59	\$3.15	\$2.95
Plainfield	12,395		\$27.42	
Rockford	58,789		\$20.81	
Schaumburg	11,528	No Fee		No Fee
Warrenville	3,420	\$ 21.42	\$4.87	\$4.87
Wheaton	15,000	\$16.48		\$2.81
Woodridge	9,000	\$ 24.60		\$4.15

FISCAL IMPACT:

CIP #: N/A

Residential Refuse Waste and Recycling Collection is expensed to the refuse and recycling service

account below. Residents will pay \$12.95 per month for the service. The total provided reflects the 2019 proposed budget, as the majority of the contract will occur during that period. A total of \$6,526,800 has been budgeted for refuse and recycling in 2019. The requested award of \$7,314,300 includes the \$787,500 sticker cost and is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
31101100-531311	General Fund	\$6,546,800