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Title: Receive report and direct staff to solicit bids for the for the residential solid waste, recycling and yardwaste services contract.

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CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Receive report and direct staff to solicit bids for the for the residential solid waste, recycling and yardwaste services contract.

DEPARTMENT: Department of Public Works

SUBMITTED BY: Richard Dublinski, Director of Public Works

BOARD/COMMISSION REVIEW:

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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 yardwaste 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 yardwaste 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:

With the current refuse and recycling contracts set to expire on April 30, 2019, staff is preparing 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 will be evaluated. The goal is 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.

Concurrently, staff is developing a survey to seek resident input on the priority of service add-ons such as front door hazardous waste collection and curbside electronics recycling, as well as their preference for service options for items currently collected including yard waste and leaves. Residents will also be asked their willingness to pay for the ability to have these services available to them curbside.

Given the magnitude of this service, it is advised that the contract be awarded no less than 6 months prior to the expiration of the current contract. This will afford the winning bidder ample time to structure the capital equipment required to perform the obligations of the contract as well as educate the affected residents of a possible change in vendor and any service enhancements/modifications.

In order to award the new contract with respect to these issues, staff will proceed with the following action plan:

April 2018	RFP will be released
April 2018	Survey will be advertised and posted to the City's website
May 2018	RFP responses due
June 2018	Vendor Interviews
July - September	Evaluate & Finalize Agreement
October 2018	Award recommendation to City Council

FISCAL IMPACT:

The CY18 budget for refuse and yardwaste collection is approximately \$5.5 million, which is a cost of \$10.28 per household per month. The CY 18 budget for recycling collection is approximately \$1.2 million, which is a cost of \$2.43 per household per month. The total refuse and recycling collection budget is approximately \$6.7 million, and residents pay a total of \$12.71 per month for curbside refuse and recycling services.

Based on market conditions and comparable data, staff anticipates that the cost for refuse, recycling, and yardwaste services may increase substantially with the new contract in 2019. The City's cost for recycling services has remained at \$2.43 for more than 20 years and is substantially lower than the average cost in this area for this service. In addition, the

City's pricing for refuse and yardwaste collection is far below what comparable communities currently pay.