



**Seattle
Public
Utilities**

**NEW 2019 SOLID WASTE
COLLECTION CONTRACTS**

Seattle City Council

Civil Rights, Utilities, Economic Development and Arts Committee

April 10, 2018

Authorization Request

SPU authority to sign new solid waste collection contracts:

- Two 10-year service contracts that begin in April 2019
- Provides Citywide services after SPU's current contracts end in March 2019
- Waste Management will continue service in South & NW Seattle
- Recology will continue service in Central & NE Seattle

Presentation Contents

- Background & Request for Proposals
- Proposal Responses & Evaluation Process
- New Services & Operation Highlights
- Financial Impacts



Background – Contract Scope

These service contracts include:

- Garbage, recycling, & compost pick-up from all residents
- Garbage pick-up from all businesses
- Limited recycling & compost pick-up from businesses
- Public litter & recycle can services & expanded neighborhood clean-up
- Back-up waste transfer capacity



Background – Contract Scope (cont'd)

These service contracts do not include:

- Most commercial recycling or compost collection (open market)
- Large construction waste services (separate contract)
- Sorting & processing recyclables & compostables (separate contracts)
- Garbage processing & disposal (separate contract)

Request for Proposal – July 2017

SPU released the RFP for new services in 2017:

- No major service changes in base terms
- Continues weekly garbage & compost and every other week recycle
- Continues SPU customer service for residents & contractor customer service for business
- 4 service zones to propose on – South, Central, NW & NE, w/ combinations of zones
- RFP built on input from staff, stakeholders, vendors, & Council prior to release

Vendor Proposals – September 2017

SPU received proposals from 4 firms covering a mix of zones:

| Proposer | Current Zones | Proposed Zones |
|-----------------------|---------------|----------------------|
| Recology | Central & NE | South, Central, & NE |
| Republic Services | None | South |
| Sound Sustainable Svc | None | South |
| Waste Management | South & NW | South, NW, & NE |

- Recology & Waste Management are the current SPU contractors.
- Republic Services provides commercial recycling in Seattle & serves other local cities.
- Sound Sustainable Services is a new firm, incorporated in 2017, w/ ownership & management from Cedar Grove Composting & Honolulu Disposal Services.

Proposal Evaluation 4Q 2017 - Non-Price Rankings

An Evaluation Committee reviewed all proposals against the RFP non-price Evaluation Criteria:

| Non-Price Rankings | Proposed Operations | Customer & Community | Background & Performance | Total Non-Price |
|----------------------------|---------------------|----------------------|--------------------------|-----------------|
| Waste Management | 1 | 1 | 1 | 1 |
| Recology | 2 | 1 | 1 | 2 |
| Republic Services | 3 | 3 | 3 | 3 |
| Sound Sustainable Services | 3 | 3 | 4 | 4 |

Proposal Evaluation 4Q 2017 – Price & Composite Rankings

For price & composite review, SPU combined the 4 proposals & service zones to evaluate 5 different service scenarios w/ coverage for entire City:

| Service Scenarios | NW | NE | C | S | Price | Non-price | Combined Rank | |
|-------------------|----|----|----|----|-------|-----------|---------------|------------------------|
| <i>Status Quo</i> | WM | RC | RC | WM | | | | |
| Scenario 1 | WM | RC | RC | WM | 1 | 1 | 1 | WM = Waste Mgmt. |
| Scenario 2 | WM | WM | RC | RC | 2 | 1 | 2 | RC = Recology |
| Scenario 3 | WM | RC | RC | RC | 3 | 2 | 3 | |
| Scenario 4 | WM | RC | RC | S3 | 3 | 4 | 4 | S3 = Sound Sustainable |
| Scenario 5 | WM | RC | RC | RS | 4 | 3 | 5 | RS = Republic |

SPU selected Scenario 1 as the top ranked combination of proposals.

Negotiations 1Q 2018

SPU completed negotiations in March 2018 w/ the finalists Recology & Waste Management to confirm:

- Service & Engagement Improvements
- Operational Upgrades
- Cost Savings



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Service Improvements

The new services will introduce several customer enhancements:

- Expanded curb pick-up & drop-off services for “special item” recycling (e.g., foam packaging, textiles, CFLs, electronics, wood scraps)
- Future voluntary customer option for EOW Garbage, if desired
- Enhanced business customer service w/ new on-line tools & more local & customized customer support
- Clear alley service evolution, including new customer tools & options



Customer & Community Engagement Improvements

New contractor support to achieve City goals & programs:

- New recycling & composting intervention at apartments & businesses
- Dedicated assistance staff, customer tools, increased monitoring, & garbage sorts at large accounts
- Community improvement & engagement w/ routine clean-up crews to proactively target debris, graffiti, & other community impacts
- Contractor initiatives to engage & reward communities



Operational Upgrades – Green Fuels

The new services continue Seattle's leadership in fleet innovation:

- New 2018 or 2019 trucks w/ new clean engines surpassing latest emissions standards
- 100% renewable fuels w/ zero petroleum use & major greenhouse gas benefits
- Waste Management will use renewable natural gas (from landfill production credits)
- Recology will use renewable diesel (from animal fats & other waste grease)



driveclean
s e a t t l e

Operational Upgrades – Initial Electric Trucks

Contractors will introduce new electric fleet elements:

- 2 Class 8 heavy duty electric route trucks for initial feasibility testing
- 4 Class 6 midsize electric trucks for small routes & container delivery
- 10 electric supervisor pick-up trucks & support vehicles
- Potential to add more full-scale electric trucks, pending feasibility & financing



Note: Full-scale electric trucks are making progress, but still have challenges in load capacity, hydraulics, grade performance, service reliability, & costs

Additional Operational Highlights

- Smooth transition w/ current firms continuing in current zones – minimal customer impacts
- Enhanced performance management w/ new systems for reliability improvement
- Worker safety improvements w/ new mini-carts for hydraulic tipping
- Attached lids & wheels for all customer containers
- Bike safety improvements w/ side guards on trucks



Financial Impacts

New contracts provide significant savings:

- Over \$5M per year in savings below current contracts & Strategic Business Plan projections
- Savings will begin in April 2019 w/ the new contracts, & will be incorporated in 2019/2020 proposed budget
- Savings will allow City to reduce future rate increases
- Customer rates are set by Council & have been adopted through March 2020

CITY OF SEATTLE

Account Number
0123456789

Jon Doe
12345 Fake St
Seattle, WA 98125

Property Owner
Jon Doe
Service Address
12345 Fake St

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DETAILED BILLING INFORMATION

| Water Service | Service From | Service Through | CCF Usage | Previous Reading | Current Reading |
|---|--------------|-----------------|---------------------------|------------------|-----------------|
| | May 09, 2016 | Jul 07, 2016 | 10.00 | 1105.00 | 1115.00 |
| Meter Number: PCN-S0335761-1 | | | Service Category: WTR1 | | 27.83 |
| Base service charge | | | 8.84 CCF @ \$5.20 per CCF | 45.97 | |
| Summer Residential | | | 0.14 CCF @ \$6.43 per CCF | 0.90 | |
| Winter Residential | | | 1.02 CCF @ \$5.05 per CCF | 5.16 | |
| Utility Discount Program Savings | | | | | 39.93 CR |
| Current Water Service: | | | | | 39.93 |

| Sewer Service | Service From | Service Through | CCF Usage | Previous Reading | Current Reading |
|---|--------------|-----------------|-----------------------------|------------------|-----------------|
| | May 09, 2016 | Jul 07, 2016 | 10.00 | | 122.70 |
| Residential Service | | | 10.00 CCF @ \$12.27 per CCF | 122.70 | |
| Utility Discount Program Savings | | | | | 81.35 CR |
| Drainage Utility Credit | | | | | 28.84 |
| Current Sewer Service: | | | | | 28.84 |

67% of sewer revenue is paid to King County Metro for sewage treatment.

| Solid Waste Service | Service From | Service To | Usage | Previous Reading | Current Reading |
|---|--------------|--------------|--------------------------------------|------------------|-----------------|
| | Jul 01, 2016 | Aug 31, 2016 | 1-Garbage 12 Gal 1X Weekly | | 42.80 |
| | Jul 01, 2016 | Aug 31, 2016 | 1-Recycle 90 Gal 1X Every Other Week | | 0.00 |
| Utility Discount Program Savings | | | | | 21.30 CR |
| Current Solid Waste Service: | | | | | 21.30 |

CURRENT BILLING: 90.07

SPU seeks Council support for these new contracts to improve services, provide significant environmental benefits, & reduce future customer costs

Questions?

