



**Seattle  
Public  
Utilities**

**NEW 2019 SOLID WASTE  
COLLECTION CONTRACTS**

**Seattle City Council**

**Civil Rights, Utilities, Economic Development and Arts Committee**

# 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	
<b>Status Quo</b>	WM	RC	RC	WM				
<b>Scenario 1</b>	WM	RC	RC	WM	1	1	1	WM = Waste Mgmt.
<b>Scenario 2</b>	WM	WM	RC	RC	2	1	2	RC = Recology
<b>Scenario 3</b>	WM	RC	RC	RC	3	2	3	
<b>Scenario 4</b>	WM	RC	RC	S3	3	4	4	S3 = Sound Sustainable
<b>Scenario 5</b>	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)



# 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

For free answers to your billing questions in your native language, call 206-684-2000.  
Para obtener respuestas gratuitas en español a sus preguntas sobre facturación, llame al 206-684-2000.  
Xin gửi lá đơn thưa 206-684-2000 để có các câu trả lời miễn phí bằng tiếng Việt cho những câu hỏi về hóa đơn của quý vị.  
询问您的公用事业问题。  
Ku hei Af-Soomaalii jawaabtahaa ee aadahaaga Ku qabtaan bilashaa, was taarkeetaa 206-684-2000.  
Muutamo ng librang magu angot sa Tegurog para sa inyong magtatong uot sa mga singil sa 206-684-2000. 만드고 전화하시면 당신의 정기세에 대한 문의를 쉽게 해결할 수 있습니다.

## Seattle Public Utilities Bill

Statement date: July 15, 2016

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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	1106.00	1115.00
					Service Category: WTR1
Meter Number: PCN-S0335761-1					27.83
Base service charge					45.97
Summer Residential					0.90
Summer Residential					5.16
Winter Residential					39.93 CR
Utility Discount Program Savings					
					39.93
Current Water Service:					

### Sewer Service

Service From	Service To	CCF Usage	Previous Reading	Current Reading
May 09, 2016	Jul 07, 2016	10.00	10.00	12.27 per CCF
Residential Service				61.35 CR
Utility Discount Program Savings				32.51 CR
Drainage Utility Credit				
Utility Discount Program Credit				
67% of sewer revenue is paid to King County Metro for sewage treatment.				
Current Sewer Service:				28.84

### Solid Waste Service

Service From	Service To	1-Garbage 12 Gal 1X Weekly	1-Recycle 90 Gal 1X Every Other Week	Utility Discount Program Savings	Utility Discount Program Credit
Jul 01, 2016	Aug 31, 2016	1.00	0.00	42.60	0.00
Jul 01, 2016	Aug 31, 2016	1.00	0.00	21.30 CR	
Jul 01, 2016	Aug 31, 2016	1.00	0.00	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?

